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Årsredovisning

för

Tietoevry Fintech Sweden AB

559435-8995

Räkenskapsåret

2023-05-29 - 2023-12-31

Fastställelseintyg

Undertecknad styrelseledamot i Tietoevry Fintech Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma

Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm 30/5 - 2024

Luis Maynar

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Årsredovisning

för

Tietoevry Fintech Sweden AB

559435-8995

Räkenskapsåret

2023-05-29 - 2023-12-31

Innehållsförteckning

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Styrelsen och verkställande direktören för Tietoevry Fintech Sweden AB avger följande årsredovisning för räkenskapsåret 2023-05-29 - 2023-12-31, vilket är företagets första verksamhetsår.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr).

Förvaltningsberättelse

Information om verksamheten

Tietoevry skapar digitala fördelar för företag och samhälle. Vi är ett ledande nordiskt digitalt tjänste- och programvaruföretag med lokal närvaro och global kapacitet. Våra nordiska värderingar och vårt nordiska arv styr vår framgång. Baserat på vår värdegrund öppenhet, trovärdighet och mångfald, jobbar vi tillsammans med våra kunder samt leverantörer och utvecklar en digital framtid där företag, samhällen och människor kan växa.

Våra 24 000 experter globalt specialiserar sig på digitala tjänster och programvara för tusentals företag och organisationer inom privat och offentlig sektor i mer än 90 länder. Tietoevry omsätter årligen cirka 3 miljarder euro och företagets aktier är noterade på NASDAQ-börsen i Helsingfors och Stockholm samt på Oslo Børs.

Genom en stark lokal närvaro med djup teknisk och affärsmässig insikt är Tietoevry en drivande kraft för kundernas innovation och förnyelse. I Sverige har Tietoevry-koncernen cirka 3 900 medarbetare, med kontor på ett 25-tal orter och en omsättning på cirka 1 miljard euro.

Tietoevry Fintech Sweden AB, är en marknadsledande levernatör av mjukvaror och lösningar för finansiella tjänster.Företaget leverara modulära förintegrerade banktjänster som en helheltslösning, mjukvara för core, betalningar, kreditkort, finansiella bedrägerier och förmögenhet. Med sin breda expertis och specialisering är företaget en drivande kraft inom branschen som möjliggör för finansiella institutioner att bli mer agila och effektiva och därmed en stark aktör i att accellerera deras digital transfomrationsresa.

Ägarförhållanden

Tietoevry Fintech Sweden AB, med säte i Stockholm, är ett helägt dotterbolag till Tietoevry Oyj, 0101138-5, med säte i Esbo, Finland. Konsolidering för Tietoevry Fintech Sweden AB med dotterbolag sker i Tietoevry Oyj-koncernen.

Väsentliga händelser under räkenskapsåret

Tietoevry Tech Services AB (f.d. Tieto Sweden AB) genomförde i enlighet med beslut från Bolagsverket den 29 maj 2023 partiell delning av bolaget, i samband med genomförandet bildades systerbolagen Tietoevry Fintech Sweden AB och Tietoevry AB. Den partiella delningen medförde att på balansdagen överfördes därtillhörande tillgångar, skulder samt resultat för perioden 1 januari till 29 maj 2023, personal, kund och leverantörskontrakt.
Resultatet av bolagsdelningen framgår av not 2.

Bolaget är en del av verksamhetsgrenen Banking vilken kommer att separeras från koncernen under 2024.
Bolaget har under första verksamhetsåret visat ett stark finansiellt resultat. .

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Hållbarhetsrapport

Bolaget har enligt Årsredovisningslagen 7 kap 31 a §, inte upprättat någon lagstadgad hållbarhetsrapport utan omfattas av den hållbarhetsredovisning som upprättas av Tietoevry-koncernen. Det överordnade moderföretaget Tietoevry Oyj upprättar hållbarhetsredovisning som en integrerad del av koncernens årsredovisning.

Icke-finansiella upplysningar

Hållbarhetspraxis
Tietoevry anpassar sig som företag till sin egen utarbetade hållbarhetspraxis och internationella normer, ramverk och lagstiftning som omfattar anti-korruption, klimat och miljö, mänskliga rättigheter och arbetsrätt. Hållbarhetstänkandet bygger på principerna av FN:s Global compact och OECD:s riktlinjer för multinationella företag och är anslutet till FN:s hållbara utvecklingsmål.

Klimat och Miljö
Vår affärsverksamhet och de tjänster vi tillhandahåller har en betydande effekt på miljön. Målsättningen för företaget är att bevara naturresurser och biologisk mångfald genom bekämpande av föroreningar och klimatförändringar. Detta ska uppnås genom att minska vår egen, påverka våra kunder samt leverantörer och samhällets inverkan på miljön genom effektiv förbrukning av våra produkter och tjänster.
Företagets perspektiv på det egna miljöprogrammet består av tre komponenter; vår egen affärsverksamhet, inverkan på leveranser till kunder samt företagets övergripande värdegrund.

Mänskliga rättigheter och arbetsrätt
Företagets värdegrund utgår från mångfald, inkludering och jämställdhet. För att mäta våra anställdas välmående och engagemang genomförs regelbundet medarbetarundersökningar med en positiv trend. Ännu ett exempel är att företaget utgör en del av Länsstyrelsen i Stockholm projekt "Vidga Normen i praktiken". Projektet bidrar till att synliggöra och motverka arbetsmarknadens strukturella diskriminering kopplad till hudfärg och etnisk bakgrund.

Antikorruption
Det råder nolltolerans för oetiskt beteende bland anställda, inhyrda konsulter, kunder samt leverantörer. Företaget upprätthåller regelverket genom ett kontinuerligt arbete mellan Risk Management och Internal Audit som stödjer sig på koncernens globala verktyg; Code of Conduct, Supplier Code of Conduct, Whistleblowing Rule och Anti-Money Laundering Rule.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Tietoevry verkar i ett IT-landskap i ständig förändring. IT har idag stor betydelse för många branschers förmåga att under stor konkurrens förändra verksamhet och affärsmodeller. Digital innovation med IT som styrsystem har blivit en allt större del i kundernas verksamhet och kärnan i verksamhetsprocesserna. Tietoevry är väl positionerat för att möta marknadens behov och efterfrågan inom tillväxtinriktade områden och digitalisering.

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Riskhantering

Den finansiella riskhanteringen sköts av en för koncernen gemensam avdelning, Treasury, för att tillvarata stordriftsfördelar och synergieffekter samt för att minimera hanteringsrisker. Treasury svarar för koncernens lånefinansiering, valuta- och riskhantering. Bolagets exponering mot förändring i räntenivåer uppstår främst i placeringen av likvida medel i koncernens cashpool samt upplåning inom koncernen med kortfristig ränta.

Bolagets verksamhetsrisker utgörs i huvudsak av risker i kundleveransen. Bolaget bedömer löpande och i samband med varje bokslut eventuella framtida risker i förhållande till de avtal som finns med kunderna.

Koncernen har kontinuerlig bevakning av krigssituationen i Ukraina. Personalens säkerhet är prioriterad, leveranser mot kund har fullföljts under året utan kännbara störningar. Eventuellt uppkomna situationer hanteras med löpande beredskap.

Miljöpåverkan

Bolaget bedriver ingen verksamhet som är anmälningspliktig eller tillståndspliktig enligt miljöbalken.

Flerårsöversikt (Tkr)	**2023** (8 mån)
Nettoomsättning	1 033 579
Resultat efter finansiella poster	112 788
Antal anställda	410
Balansomslutning	776 543
Soliditet (%)	78,3
Balanslikviditet (%)	279,5
Avkastning på totalt kap. (%)	14,6
Avkastning på eget kap. (%)	18,5

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Förändringar i eget kapital (Tkr)

	Aktie-kapital	**Reserv-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Tillskjutit kapital	15 000				**15 000**
Utvecklingsfond genom fission		9 072			**9 072**
Avsatt till utvecklingsfond		11 008			**11 008**
Balanserade vinstmedel		0	-11 008		**-11 008**
Balanserade vinstmedel genom fission			477 986		**477 986**
Aktierelaterad ersättning genom fission			3 300		**3 300**
Aktierelaterad ersättning			1 694		**1 694**
Årets resultat genom fission				48 797	**48 797**
Årets resultat				15 954	**15 954**
Belopp vid årets utgång	**15 000**	**20 080**	**471 971**	**64 751**	**571 802**

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Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	471 971 434
årets vinst	64 750 757
	536 722 191

disponeras så att

i ny räkning överföres	536 722 191
	536 722 191

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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Resultaträkning

Tkr

	Not	2023-05-29 -2023-12-31 (8 mån)
Rörelsens intäkter		
Nettoomsättning	3	1 033 579
Övriga rörelseintäkter		29 736
Summa rörelsens intäkter		**1 063 315**
Rörelsens kostnader		
Övriga externa kostnader	3, 4, 5	-414 611
Personalkostnader	6	-471 950
Avskrivningar och nedskrivningar		-61 127
Övriga rörelsekostnader		-3 575
Summa rörelsens kostnader		**-951 263**
Rörelseresultat		**112 052**
Resultat från finansiella poster		
Ränteintäkter och liknande resultatposter	7	1 274
Räntekostnader och liknande resultatposter	8	-538
Summa resultat från finansiella poster		**736**
Resultat efter finansiella poster		**112 788**
Bokslutsdispositioner	9	-19 500
Resultat före skatt		**93 288**
Årets skatt	10	-28 537
Årets resultat		**64 751**

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Balansräkning

Tkr

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	Not	2023-12-31
TILLGÅNGAR		
Anläggningstillgångar		
Immateriella anläggningstillgångar		
Balanserade utgifter för utvecklingsarbeten	11	20 080
Mjukvara och andra rättigheter	12	18 421
Goodwill	13	41 247
Summa immateriella anläggningstillgångar		**79 747**
Materiella anläggningstillgångar		
Inventarier	14	1 806
Förbättringar på annans fastighet	15	42
Summa materiella anläggningstillgångar		**1 848**
Finansiella anläggningstillgångar		
Andelar i koncernföretag	16, 17	268 341
Övriga långfristiga fordringar		1 764
Summa finansiella anläggningstillgångar		**270 104**
Summa anläggningstillgångar		**351 699**
Omsättningstillgångar		
Kortfristiga fordringar		
Kundfordringar		126 480
Fordringar hos koncernföretag	18	290 864
Övriga kortfristiga fordringar		3
Upparbetad men ej fakturerad intäkt		2 079
Förutbetalda kostnader och upplupna intäkter	19	5 419
Summa kortfristiga fordringar		**424 845**
Summa omsättningstillgångar		**424 845**
SUMMA TILLGÅNGAR		**776 543**

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Balansräkning

Tkr

	Not	2023-12-31
EGET KAPITAL OCH SKULDER		
Eget kapital		
Bundet eget kapital		
Aktiekapital	20	15 000
Fond för utvecklingsutgifter		20 080
Summa bundet eget kapital		**35 080**
Fritt eget kapital		
Balanserade vinstmedel		471 971
Årets resultat		64 751
Summa fritt eget kapital		**536 722**
Summa eget kapital		**571 802**
Obeskattade reserver		46 000
Avsättningar	21	6 760
Kortfristiga skulder		
Leverantörsskulder		37 840
Skulder till koncernföretag		25 281
Aktuella skatteskulder		2 110
Övriga kortfristiga skulder		24 146
Fakturerad men ej upparbetad intäkt		13 078
Upplupna kostnader och förutbetalda intäkter	22	49 526
Summa kortfristiga skulder		**151 981**
SUMMA EGET KAPITAL OCH SKULDER		**776 543**

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Kassaflödesanalys

Tkr

	Not	2023-05-29 -2023-12-31 (8 mån)
Den löpande verksamheten		
Resultat efter finansiella poster		112 788
Justeringar för poster som inte ingår i kassaflödet	23	157 395
Betald skatt		-26 428
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**243 755**
Kassaflöde från förändring av rörelsekapitalet		
Förändring av kundfordringar		-141 377
Förändring av kortfristiga fordringar		-256 967
Förändring av leverantörsskulder		37 840
Förändring av kortfristiga skulder		112 031
Kassaflöde från den löpande verksamheten		**-4 718**
Investeringsverksamheten		
Investeringar i immateriella anläggningstillgångar		-6 333
Investeringar i materiella anläggningstillgångar		-1 844
Investeringar i finansiella anläggningstillgångar		-2 105
Kassaflöde från investeringsverksamheten		**-10 282**
Finansieringsverksamheten		
Aktiekapital		15 000
Kassaflöde från finansieringsverksamheten		**15 000**
Årets kassaflöde		**0**
Likvida medel vid årets slut		**0**

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Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmän information

Koncernförhållanden

Bolaget är moderföretag, men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning.

Det överordnade moderbolaget Tietoevry Oyj, 0101138-5, med säte i Esbo, Finland, upprättar koncernredovisning.

Årsredovisning för koncernan kan beställar på Tietoevrys hemsida www.tietoevry.com.

Väsentliga redovisningspricniper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Kassaflödesanalys

Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.

Intäkter

Intäkter har upptagits till verkligt värde av vad som erhållits eller kommer att erhållas. Intäkter redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt. Följande kriterier måste också uppfyllas innan intäkter redovisas:

Försäljning av tjänster

Intäkter från försäljning av tjänster på löpande räkning redovisas som intäkt i den period arbetet utförs och material levereras eller förbrukas.

Intäkter från försäljning av tjänster till fast pris redovisas med tillämpning av s.k. successiv vinstavräkning. Det innebär att intäkter och kostnader redovisas i förhållande till uppdragets färdigställandegrad på balansdagen. Färdigställandegraden fastställs genom en beräkning av förhållandet mellan nedlagda uppdragsutgifter för utfört arbete på balansdagen och beräknade totala uppdragsutgifter. En befarad förlust på ett tjänsteuppdrag redovisas omedelbart som en kostnad. När utfallet av ett tjänsteuppdrag inte kan beräknas på ett tillförlitligt sätt, sker intäktsredovisning endast med belopp som motsvarar uppkomna uppdragsuppgifter som sannolikt kommer att ersättas av beställaren.

Statligt stöd

De statliga stöd som erhållits har redovisats i resultaträkningen, då något krav för återbetalning ej funnits. Stöd som avser bidrag för lönekostnader redovisas som övrig intäkt eller reducerad personalkostnad, beroende på bidragets karaktär. I de fall bidraget erhålls innan prestation utförts, redovisas bidraget som skuld i balansräkningen.

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Ersättningar till anställda

Ersättningar till anställda i form av löner, bonus, betald semester, betald sjukfrånvaro m m samt pensioner redovisas i takt med intjänandet.

Pensionsplaner

Bolaget har olika pensionsplaner, avgiftsbestämda samt förmånsbestämda planer. Betalningar görs löpande till försäkringsbolag och förvaltaradministrerade fonder. Förmånsbestämda planer fastställs utifrån periodiska aktuarieberäkningar.

Avgiftsbestämda planer

En avgiftsbestämd pensionsplan är en pensionsplan enligt vilken koncernen åtar sig att betala fasta avgifter till en separat juridisk enhet. I sådant fall beror storleken på den anställdes pension på de avgifter som bolaget betalar till planen och den avkastning som avgifter ger. Bolaget har inte några rättsliga eller informella förpliktelser att betala ytterligare avgifter om denna juridiska enhet inte har tillräckliga tillgångar för att betala alla ersättningar till anställda som hänger samman med de anställdas tjänstgöring under innevarande eller tidigare perioder. Avgifterna redovisas som personalkostnader under den period de avser.

Förmånsbestämda planer

En förmånsbestämd pensionsplan är en pensionsplan som anger ett belopp för den pensionsförmån en anställd erhåller efter pensionering, vanligen baserat på faktorer såsom ålder, tjänstgöringstid och lön. Bolaget bär risken för att de utfästa ersättningarna utbetalas. Pensionsplanen ITP 2 som tryggas genom försäkring i Alecta redovisas som en avgiftsbestämd plan bland personalkostnaderna under den period de avser.

Aktierelaterade ersättningar

Vissa av bolagets anställda omfattas av ett aktieoptionsprogram. Bolaget erhåller tjänster från anställda och som vederlag utger moderbolaget personaloptioner i form av aktieoptioner till de anställda. Det totala belopp som ska kostnadsföras redovisas i resultaträkningen som en personalkostnad, fördelat över intjänandeperioden samt i eget kapital. När en bedömning ändras för hur många personaloptioner som kommer att tjänas in, redovisas denna avvikelse i resultaträkningen i den period den ändrade bedömningen görs. De sociala avgifter som uppkommer på tilldelningen av aktieoptioner redovisas som en personalkostnad och en avsättning.

Finansiella instrument samt värdepappersinnehav

Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper och andra finansiella fordringar. Finansiella instrument redovisas till anskaffningsvärde med avdrag för eventuella nedskrivningar.

Fordringar och skulder i utländsk valuta

Fordringar och skulder i utländsk valuta värderas till balansdagens kurs.
Vinster och förluster på fordringar och skulder av rörelsekaraktär redovisas i rörelseresultatet.
Kursdifferenser på finansiella fordringar och skulder redovisas i resultaträkningen bland finansiella poster.

Kundfordringar och övriga fordringar

Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar.

Fordringar tas upp till det belopp som förväntas bli inbetalt. Nedskrivningsbehov baseras på förväntade kreditförluster, som grundas på antaganden och historisk information om kunder och kundgrupper.

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Leasingavtal

I leasingavtal där de ekonomiska fördelar och risker som är hänförliga till leasingobjektet i allt väsentligt kvarstår hos uthyraren, klassificeras som operationell leasing. Betalningar enligt dessa avtal kostnadsförs linjärt över leasingperioden. I det fall finansiell leasing förekommer, redovisas dessa som operationell leasing enligt de lättnadsregler som föreligger för juridisk person.

Avsättningar

I samband med uppsägning av medarbetare görs en avsättning för personalkostnader under uppsägningstiden. Avsättning görs endast för kostnader som avtalats på balansdagen. Upplösning av avsättningen görs i takt med utbetalning.

Avsättning görs för förlustkontrakt vilket uppstår då bolaget bedömer att de oundvikliga utgifterna för att uppfylla sina åtaganden överstiger de förväntade ekonomiska fördelarna.
Upplösning av avsättning sker successivt över kvarvarande kontraktsperiod.

Vid förtidsuppsägning av lokaler görs avsättning motsvarande beräknad hyreskostnad under återstående hyresperiod och löses upp under hyreskontraktets löptid.

Eventualförpliktelser

En eventualförpliktelse föreligger om det finns ett möjligt åtagande som härrör från inträffade händelser och vars förekomst bekräftas endast av en eller flera osäkra framtida händelser. Eventualförpliktelsen redovisas inte som skuld eller avsättning på grund av att det inte är troligt att ett utflöde av resurser kommer att krävas eller för att förpliktelsens storlek inte kan beräknas med tillräcklig tillförlitlighet.

Koncernbidrag

Koncernbidrag, såväl lämnade som erhållna, redovisas i resultaträkningen som en bokslutsdisposition.

Inkomstskatter

Aktuell skatt

Redovisade inkomstskatter innefattar skatt som skall betalas eller erhållas avseende aktuellt år, justeringar avseende tidigare års aktuella skatt samt förändringar i uppskjuten skatt.

Värdering av samtliga skatteskulder/-fordringar sker till nominella belopp och görs enligt de skatteregler och skattesatser som är beslutade eller som är aviserade och med stor säkerhet kommer att fastställas.

För poster som redovisas i resultaträkningen, redovisas även därmed sammanhängande skatteeffekter i resultaträkningen.

Uppskjuten skatt

Uppskjuten skatt beräknas enligt balansräkningsmetoden på alla temporära skillnader som uppkommer mellan redovisade och skattemässiga värden på tillgångar och skulder.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

I bolaget redovisas på grund av sambandet mellan redovisning och beskattning den uppskjutna skatteskulden på obeskattade reserver, som en del av de obeskattade reserverna.

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Immateriella anläggningstillgångar

Immateriella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella nedskrivningar. Aktiverade belopp värderas löpande genom nedskrivningstest mot framtida kassaflöden.

Forskning och utveckling

Utveckling av nya produkter sker både på direkt beställning från kund och som egenutveckling. Utgifter avseende utvecklingsprojekt (hänförliga till konstruktion och test av nya eller förbättrade produkter) balanseras i bolaget som immateriella tillgångar i den omfattning som dessa utgifter förväntas generera framtida ekonomiska fördelar.

Utvecklingskostnader som balanserats skrivs av linjärt över den period som de förväntade fördelarna beräknas komma företaget till godo och den tidpunkt då kommersiell produktion påbörjas. Det redovisade värdet på de utvecklingskostnader som redovisas som tillgång i balansräkningen prövas årligen. Med avseende på eventuellt nedskrivningsbehov så länge tillgången ännu inte tagits i bruk och därefter då händelser eller förändrade förutsättningar indikerar att det redovisade värdet eventuellt inte kommer att kunna återvinnas.

En immateriell anläggningstillgång tas bort från balansräkningen vid utrangering eller avyttring eller när inte några framtida ekonomiska fördelar väntas från användning eller utrangering/avyttring av tillgången. Den vinst eller förlust som uppkommer när en immateriell anläggningstillgång tas bort från balansräkningen är skillnaden mellan vad som eventuellt erhållits, efter avdrag för direkta försäljningskostnader och tillgångens redovisade värde. Detta redovisas i resultaträkningen som en övrig rörelseintäkt eller rörelsekostnad.

Avskrivningsbart belopp utgörs av anskaffningsvärdet minskat med ett beräknat restvärde om detta är väsentligt. Avskrivning sker linjärt över den förväntade nyttjandeperioden.

Följande avskrivningstider tillämpas:
Goodwill 5 år
Övriga immateriella tillgångar 3-5 år

Materiella anläggningstillgångar

Materiella anläggningstillgångar värderas till anskaffningsvärde med avdrag för ackumulerade avskrivningar. Avskrivningar beräknas på anläggningstillgångarnas anskaffningsvärde. Avskrivning sker baserat på tillgångarnas bedömda nyttjandeperiod. De materiella anläggningstillgångarnas nyttjandeperiod prövas och en bedömning görs avseende om det finns indikationer på nedskrivningsbehov.

Följande avskrivningsperioder tillämpas:
Hårdvara 3-5 år
Inventarier 3-5 år
Förbättringsåtgärder på annans fastighet enligt befintliga hyresavtal

En materiell anläggningstillgång tas bort från balansräkningen vid utrangering eller avyttring eller när inte några framtida ekonomiska fördelar väntas från användning eller utrangering/avyttring av tillgången. Den vinst eller förlust som uppkommer när en materiell anläggningstillgång tas bort från balansräkningen är skillnaden mellan vad som eventuellt erhållits, efter avdrag för direkta försäljningskostnader och tillgångens redovisade värde. Den realisationsvinst eller realisationsförlust som uppkommer när en materiell anläggningstillgång tas bort från balansräkningen redovisas i resultaträkningen som en övrig rörelseintäkt eller rörelsekostnad.

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Aktier och andelar i koncernföretag

Aktier och andelar i koncernföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt eventuella förvärvskostnader.

Nedskrivningsprövning av finansiella anläggningstillgångar

Vid varje balansdag bedömer företaget om det finns någon indikation på nedskrivningsbehov i någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående. Nedskrivning redovisas i resultaträkningen under posten "Resultat från finansiella investeringar". Nedskrivningsbehovet prövas individuellt för aktier och andelar och övriga enskilda finansiella anläggningar som är väsentliga.

Kassa och bank

Bolagets bankkonton ingår i en koncernintern Cash Pool. Med anledning av detta redovisas bolagets likvida medel bland Kortfristiga fordringar/skulder hos koncernföretag.

Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Antal anställda
Medelantal anställda under räkenskapsåret.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Balanslikviditet (%)
Omsättningstillgångar inklusive lager och pågående arbeten m.m. i procent av kortfristiga skulder.

Avkastning på totalt kap. (%)
Rörelseresultat plus finansiella intäkter i procent av balansomslutningen.

Avkastning på eget kap. (%)
Resultat efter finansiella poster i procent av justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt).

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Uppskattningar och bedömningar

Uppskattningar och bedömningar utvärderas löpande och baseras på historisk erfarenhet och andra faktorer, inklusive förväntningar på framtida händelser som anses rimliga under rådande förhållanden. De uppskattningar och antaganden som innebär en risk för justeringar i redovisade värden för tillgångar och skulder under nästkommande år behandlas i huvuddrag nedan.

Goodwill samt aktier och andelar i koncernföretag

Bolaget prövar inför balansdagen om det finns indikationer på ett nedskrivningsbehov avseende goodwill samt aktier och andelar i koncernföretag.

Omstruktureringar

Avsättningar för omstrukturering omfattar de utbetalningar som beräknas uppstå under kommande år som en följd av koncernens beslut att rationalisera och effektivisera verksamheten. Beloppen har beräknats efter bästa uppskattningar och justeras när ändringar av dessa uppskattningar sker. Avsättning för minskning av personal beräknas på individnivå.

Bolaget tillämpar successiv vinstavräkning vid redovisning av fastprisavtal för pågående tjänsteuppdrag. Successiv vinstavräkning innebär att bolaget gör värdering av hur stor del av totala leveransen som utförts på balansdagen.

Samtliga kostnader och intäkter avseende större infrastrukturella projekt (transition/transformation) aktiveras i balansräkningen såsom pågående uppdrag och intäktsförs över kontraktsperioden.

Kundfordringar

Kundfordringar redovisas netto efter reservering för osäkra fordringar. Nettovärdet speglar de belopp som förväntas kunna inkasseras baserat på omständigheter som är kända på balansdagen. Ändrade förhållanden, till exempel att uteblivna betalningar ökar i omfattning eller att förändringar inträffar i en kunds ekonomiska ställning, kan medföra väsentliga avvikelser i bedömningen.

Avsättningar för tvister och skadestånd

Det förekommer från tid till annan att det ställs anspråk på skadestånd för påstådda brister i de tjänster som utförts. Det görs därför en bedömning av risken för skadestånd i de fall där anspråk på skadestånd har rests eller där sådana anspråk skulle kunna resas. I de fall det bedöms föreligga risk för skadestånd med väsentlig resultatpåverkan görs en reservering för detta i bokslutet.

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Not 2 Uppgift om delning Tietoevry Fintech Sweden AB

Bolaget bildades 2023-05-29 genom partiell delning från Tietoevry Tech Services AB, org-nr 556052-7466.
Överföring av räkenskaperna har skett per fissionsdatum 2023-05-29. Tillgångar och skulder, samt fem månaders resultat har intagits i det övertagande bolaget till fissionsdagens bokförda värde, koncernvärdesmetoden. Tabellerna nedan visar en översikt av den partiella delningen före fission och efter fission.

	före fission 2023-05-29	**efter fission 2023-05-29**
Tietoevry Tech Services AB		
Intäkter	4 005 220	2 048 357
Kostnader	-4 252 685	-2 094 058
Summa rörelseresultat	**-247 465**	**-45 701**
Anläggningstillgångar	2 738 544	952 930
Omsättningstillgångar	5 731 436	1 559 397
Summa tillgångar	**8 469 980**	**2 512 327**
Eget kapital	6 188 920	1 062 996
Obeskattade reserver	504 820	504 820
Avsättningar	94 556	71 337
Skulder	1 681 684	873 174
Summa eget kapital och skulder	**8 469 980**	**2 512 327**

Efter fission 2023-05-29	**Tietoevry Fintech Sweden AB**	**Tietoevry AB**
Intäkter	430 775	1 526 087
Kostnader	-381 979	-1 776 648
Summa rörelseresultat	**48 796**	**-250 561**
Anläggningstillgångar	110 763	1 674 851
Omsättningstillgångar	661 107	3 510 932
Summa tillgångar	**771 870**	**5 185 783**
Eget kapital	539 154	4 586 769
Obeskattade reserver	0	0
Avsättningar	8 977	14 242
Skulder	223 739	584 772
Summa eget kapital och skulder	**771 870**	**5 185 783**

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Not 3 Inköp och försäljning mellan koncernföretag

	2023-05-29 -2023-12-31
Andel av årets totala försäljning	16,00 %
Andel av årets totala inköp	31,00 %

Not 4 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2023-05-29 -2023-12-31
Deloitte AB	
Revisionsuppdrag	120
Övriga tjänster	2 091
Summa	**2 211**

Not 5 Leasingavtal - Operationell leasing leasetagare

	2023-05-29 -2023-12-31
Avtalade framtida avgifter avseende operatinell leasing med förfallotid	
Inom ett år	3 966
Senare än ett år men inom fem år	6 757
Summa	**10 724**
Under året har företagets leasingavgifter uppgått till	2 296
	2 296

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Not 6 Anställda och personalkostnader

	2023-05-29 -2023-12-31
Medelantalet anställda	
Kvinnor	159
Män	251
Summa	**410**
Löner och andra ersättningar	
Övriga anställda	311 115
Summa	**311 115**
Sociala kostnader	
Pensionskostnader för övriga anställda	58 458
Övriga sociala avgifter enligt lag och avtal	98 402
Summa	**156 861**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**467 976**
Könsfördelning bland ledande befattningshavare	
Andel kvinnor i styrelsen	50 %
Andel män i styrelsen	50 %

Verkställande direktör är inte anställd i bolaget och ingen ersättning för styrelesuppdrag har utbetalats.

Not 7 Ränteintäkter och liknande resultatposter

	2023-05-29 -2023-12-31
Ränteintäkter	126
Kursdifferenser	1 149
Summa	**1 274**

Not 8 Räntekostnader och liknande resultatposter

	2023-05-29 -2023-12-31
Räntekostnader	-303
Kursdifferenser	-234
Summa	**-538**

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Not 9 Bokslutsdispositioner

	2023-05-29 -2023-12-31
Erhållna koncernbidrag	26 500
Obeskattade reserver	-46 000
Summa	**-19 500**

Not 10 Aktuell och uppskjuten skatt

	2023-05-29 -2023-12-31
Skatt på årets resultat	
Aktuell skatt	-28 537
Förändring av uppskjuten skatt avseende temporära skillnader	0
Totalt redovisad skatt	**-28 537**

Avstämning av effektiv skatt

		2023-05-29 -2023-12-31
	Procent	**Belopp**
Redovisat resultat före skatt		93 288
Skatt enligt gällande skattesats	20,60	-19 217
Ej avdragsgilla kostnader		-9 323
Ej skattepliktiga intäkter		3
Redovisad effektiv skatt		**-28 537**

Not 11 Balanserade utgifter för utvecklingsarbeten

	2023-12-31
Ingående anskaffningsvärden genom fission	14 409
Aktiverat arbete för egen räkning	6 334
Utgående ackumulerade anskaffningsvärden	**20 743**
Årets avskrivningar	-663
Utgående ackumulerade avskrivningar	**-663**
Utgående redovisat värde	**20 080**

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Not 12 Mjukvara och andra rättigheter

	2023-12-31
Ingående anskaffningsvärden genom fission	92 542
Utgående ackumulerade anskaffningsvärden	**92 542**
Ingående avskrivningar genom fission	-55 701
Årets avskrivningar	-18 421
Utgående ackumulerade avskrivningar	**-74 121**
Utgående redovisat värde	**18 421**

Not 13 Goodwill

	2023-12-31
Ingående anskaffningsvärden genom fission	227 032
Utgående ackumulerade anskaffningsvärden	**227 032**
Ingående avskrivningar genom fission	-144 538
Årets avskrivningar	-41 247
Utgående ackumulerade avskrivningar	**-185 785**
Utgående redovisat värde	**41 247**

Not 14 Inventarier

	2023-12-31
Ingående anskaffningsvärden genom fission	4 891
Inköp	1 844
Försäljningar/utrangeringar	-103
Utgående ackumulerade anskaffningsvärden	**6 633**
Ingående avskrivningar genom fission	-4 139
Försäljningar/utrangeringar	103
Årets avskrivningar	-791
Utgående ackumulerade avskrivningar	**-4 827**
Utgående redovisat värde	**1 806**

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Not 15 Förbättringsutgifter på annans fastighet

	2023-12-31
Ingående anskaffningsvärden genom fission	53
Utgående ackumulerade anskaffningsvärden	**53**
Ingående avskrivningar genom fission	-5
Årets avskrivningar	-6
Utgående ackumulerade avskrivningar	**-11**
Utgående redovisat värde	**42**

Not 16 Andelar i koncernföretag

	2023-12-31
Anskaffning genom fission	268 341
Utgående ackumulerade anskaffningsvärden	**268 341**
Utgående redovisat värde	**268 341**

Not 17 Specifikation andelar i koncernföretag

Namn	Org.nr	Säte	Kapital-andel	Bokfört värde
EVRY Card Services AB	556362-0383	Solna	100	268 336
Tietoevry Fintech D.o.o	20314656	Belgrad	100	5
				268 341

Not 18 Fordringar hos koncernföretag

	2023-12-31
Tillgodohavande på koncernkonto *)	245 986
Övriga fordringar	44 878
Summa	**290 864**

Beloppet ingår i likviditetsförvaltningen för koncernen i form av cashpool.

Not 19 Förutbetalda kostnader och upplupna intäkter

	2023-12-31
Licenser	8
Serviceavgifter	3 709
Övrigt poster	1 702
Summa	**5 419**

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Not 20 Aktiekapital

Aktiekapitalet i Tietoevry Fintech Sweden AB uppgår till 15 000 000 kronor fördelat på 15 000 000 aktier, med kvotvärde 1.

Not 21 Avsättningar

	2023-12-31
Omstrukturering	
Belopp genom fission	6 712
Årets avsättningar	6 573
Under året ianspråktagna belopp	-7 854
Utgående avsättning	**5 431**
Övriga avsättningar	
Belopp vid årets ingång	1 573
Årets avsättningar	113
Under året ianspråktagna belopp	0
Under året återförda belopp	-356
Värdeförändring	0
Utgående avsättning	**1 330**
Summa avsättningar	**6 760**

Not 22 Upplupna kostnader och förutbetalda intäkter

	2023-12-31
Upplupna löner och semesterlöner	34 188
Upplupna sociala avgifter	12 715
Övriga upplupna kostnader	2 623
Summa	**49 526**

Not 23 Justering för poster som inte ingår i kassaflödet

	2023-12-31
Avskrivningar	-61 127
Avsättningar	-6 760
Aktierelaterad ersättning	-4 993
Genom fission	-84 514
Summa	**-157 395**

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Not 24 Väsentliga händelser efter räkenskapsårets slut

Vid koncernens styrelsesmöte i februari 2024 fastställdes beslutet om separation av verksamhetsgrenen Banking ska genomföras per första juli 2024. Vid koncernens styrelsesmöte den 24 april 2024 beslutades att häva tidigare beslut om separation.

I januari 2024 blev systerbolaget Tietoevry Tech Services AB föremål för en cyberattack i ett av bolagets datacenter. Bolaget har bedömt att denna incident inte har haft inverkan på bolagets kunder.

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Not 25 Disposition av vinst eller förlust

	2023-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):	
balanserad vinst	471 971 434
årets vinst	64 750 757
	536 722 191
disponeras så att	
i ny räkning överföres	536 722 191
	536 722 191

Stockholm den dag som framgår av elektroniska underskrifter

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Luis Maynar Bonachs
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Luis Maynar

Revisorspåteckning

Vår revisionsberättelse har lämnats den dag som framgår av min elektroniska underskrift

Deloitte AB

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Workflow Name: DocuSign ID Verification for EU Qualified
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Identification Method: PVID
Type of Document: Passport
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Country or Region of ID: DK
Result: Manual review by partner accepted.
Vendor: UBBLE
Performed: 2024 April 26 | 13:43

Identity Verification Details:
Workflow ID: 5eedeb39-c6a2-48d9-b789-b5459c2ff9bb
Workflow Name: DocuSign ID Verification for EU Qualified
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: PVID
Type of Document: Passport
Transaction Unique ID: aecb4279-3c92-51d2-9a21-7f5aec82ee0f
Country or Region of ID: DK
Result: Passed
Vendor: UBBLE
Performed: 2024 April 26 | 13:43

Electronic Record and Signature Disclosure:

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Authentication Details
Identity Verification Details:
Workflow ID: b879e0fd-7cee-4635-bd7a-84d45d262c29
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: fc5ffdf0-d9ea-52f6-8c41-7ac38749359c
Country or Region of ID: SE
Result: Passed
Performed: 2024 April 26 | 15:48

Electronic Record and Signature Disclosure:
Accepted: 2024 April 26 | 15:48
ID: 8eddb237-4221-4e1a-a2a8-b8125e9991fc

Luis Maynar Bonacho luis.maynar@tietoevry.com VP Strategy & Business Development, IS and FSS Vice President Security Level: Email, Account Authentication (None)	DocuSigned by: Luis Maynar Bonacho 29E16C2810474C0...	Sent: 2024 April 26 | 15:49 Resent: 2024 May 3 | 11:52 Resent: 2024 May 3 | 15:37 Viewed: 2024 May 3 | 17:18 Signed: 2024 May 3 | 17:18

Signature Adoption: Pre-selected Style
Using IP Address: 217.211.190.239

Authentication Details
Identity Verification Details:
Workflow ID: b879e0fd-7cee-4635-bd7a-84d45d262c29
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 7ea241e8-de05-51e3-b53d-edc5f3d0c52c
Country or Region of ID: SE
Result: Failed - incorrect signer name
Performed: 2024 May 3 | 15:04

Identity Verification Details:
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Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 93da4a14-b440-5553-8945-5adcfbeaf7a2
Country or Region of ID: SE
Result: Passed
Performed: 2024 May 3 | 17:18

Electronic Record and Signature Disclosure:
Accepted: 2024 May 3 | 17:18
ID: eba4ee96-57f7-43ee-81d9-41dfb0d1080d

Johan Holgersson jholgersson@deloitte.se Security Level: Email, Account Authentication (None)	DocuSigned by: Johan Holgersson F0FBC7601C76448	Sent: 2024 May 3 | 17:18 Viewed: 2024 May 3 | 17:50 Signed: 2024 May 3 | 17:50

Signature Adoption: Pre-selected Style
Using IP Address: 163.116.168.120

Authentication Details

Signer Events	Signature	Timestamp

Identity Verification Details:
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Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: a955b06e-e56d-5a79-a561-88860aeb38e6
Country or Region of ID: SE
Result: Passed
Performed: 2024 May 3 | 17:46

Identity Verification Details:
Workflow ID: b879e0fd-7cee-4635-bd7a-84d45d262c29
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: a955b06e-e56d-5a79-a561-88860aeb38e6
Country or Region of ID: SE
Result: Passed
Performed: 2024 May 3 | 17:50

Electronic Record and Signature Disclosure:
Accepted: 2024 May 3 | 17:50
ID: d6389f42-ebd6-4c51-8c4a-a22848f00523

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Filip Salemyr fsalemyr@deloitte.se Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	**COPIED**	Sent: 2024 May 3 | 17:50
Witness Events	**Signature**	**Timestamp**
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2024 April 26 | 12:20
Envelope Updated	Security Checked	2024 May 3 | 15:37
Certified Delivered	Security Checked	2024 May 3 | 17:50
Signing Complete	Security Checked	2024 May 3 | 17:50
Completed	Security Checked	2024 May 3 | 17:50

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

20240607337745

Electronic Record and Signature Disclosure created on: 2019 July 3 | 08:28

Parties agreed to: Klaus Andersen, Emelie Helling Gratton, Luis Maynar Bonacho, Johan Holgersson

20240607337746

By selecting Adopt and Sign, I agree that the signature and initials will be the electronic representation of my signature and initials for all purposes when I (or my agent) use them on documents, including legally binding contracts - just the same as a pen-and paper signature or initial.

20240607337747

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Tietoevry Fintech Sweden AB
organisationsnummer 559435-8995

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Tietoevry Fintech Sweden AB för räkenskapsåret 2023-05-29 - 2023-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Tietoevry Fintech Sweden ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Tietoevry Fintech Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

Penneo dokumentnyckel: XISSS-EVP7V-LFVHB-QM53I-61OA0-1LSJX

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- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Tietoevry Fintech Sweden AB för räkenskapsåret 2023-05-29 - 2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Tietoevry Fintech Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm enligt efterföljande digital signatur

Deloitte AB

Johan Holgersson
Auktoriserad revisor

Penneo dokumentnyckel: XI5SS-EVP7V-LFVHB-QM53I-61OA0-1LSJX

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"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

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JOHAN HOLGERSSON
Undertecknare
Serienummer: c7ab01c3cc45ec[...]f0d0fb9745f58
IP: 163.116.xxx.xxx
2024-05-03 14:51:23 UTC

BankID

Penneo dokumentnyckel: XISSS-EVP7V-LFVHB-QM53I-61OA0-1LSJX

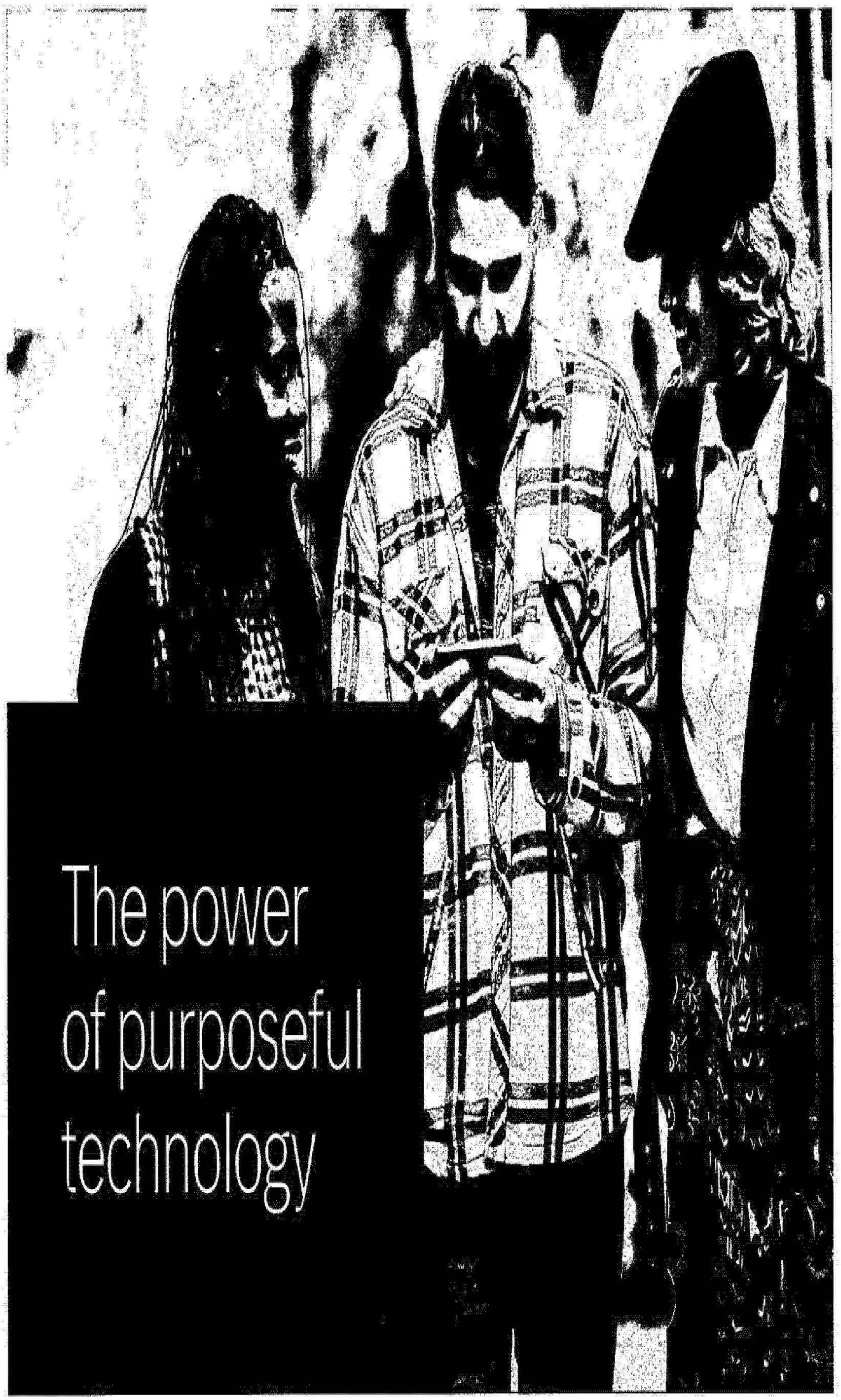
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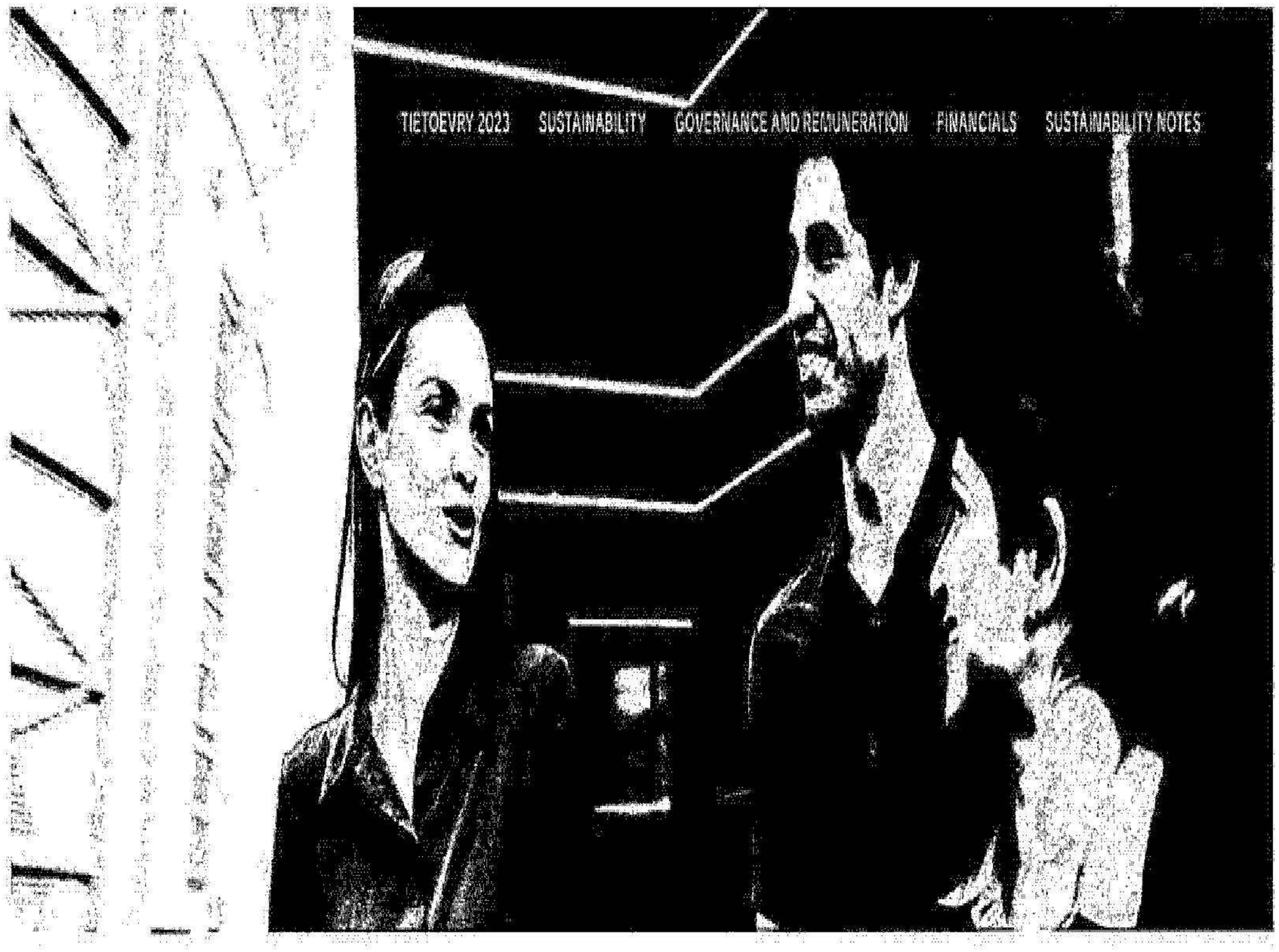
tietoevry



ANNUAL REPORT

tietoevry

Facts & figures



COMPANY NAME:
Tietoevry

FOUNDED:
1968

HEADQUARTERS:
Espoo, Finland

LISTED:
NASDAQ Helsinki and Stockholm, Oslo Børs

TOTAL EQUITY:
EUR 1 612.3 million

TOTAL LIABILITIES:
EUR 1 906.1 million

REVENUE, MEUR
2 851

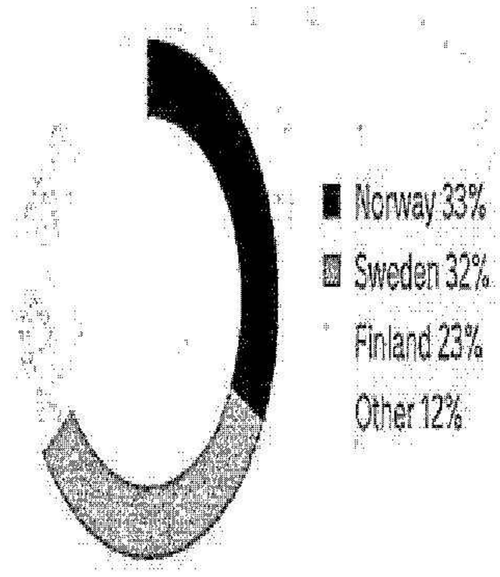
EMPLOYEES (FTE)
24 159

NUMBER OF OPERATING COUNTRIES
90+

ADJUSTED EBITA
12.6%

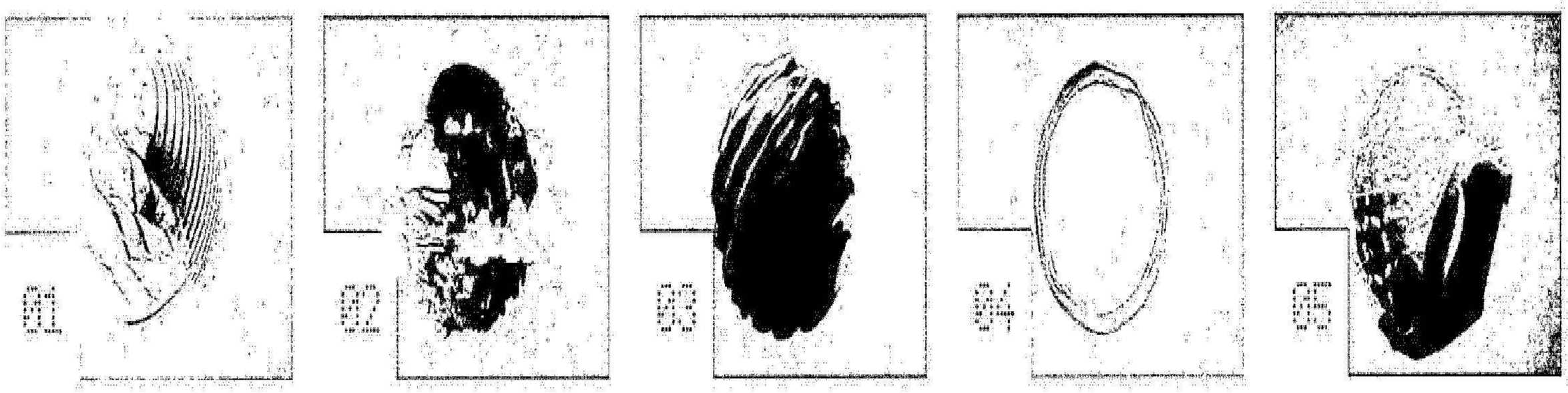
DIVIDEND YIELD
6.8%

REVENUE BY COUNTRY



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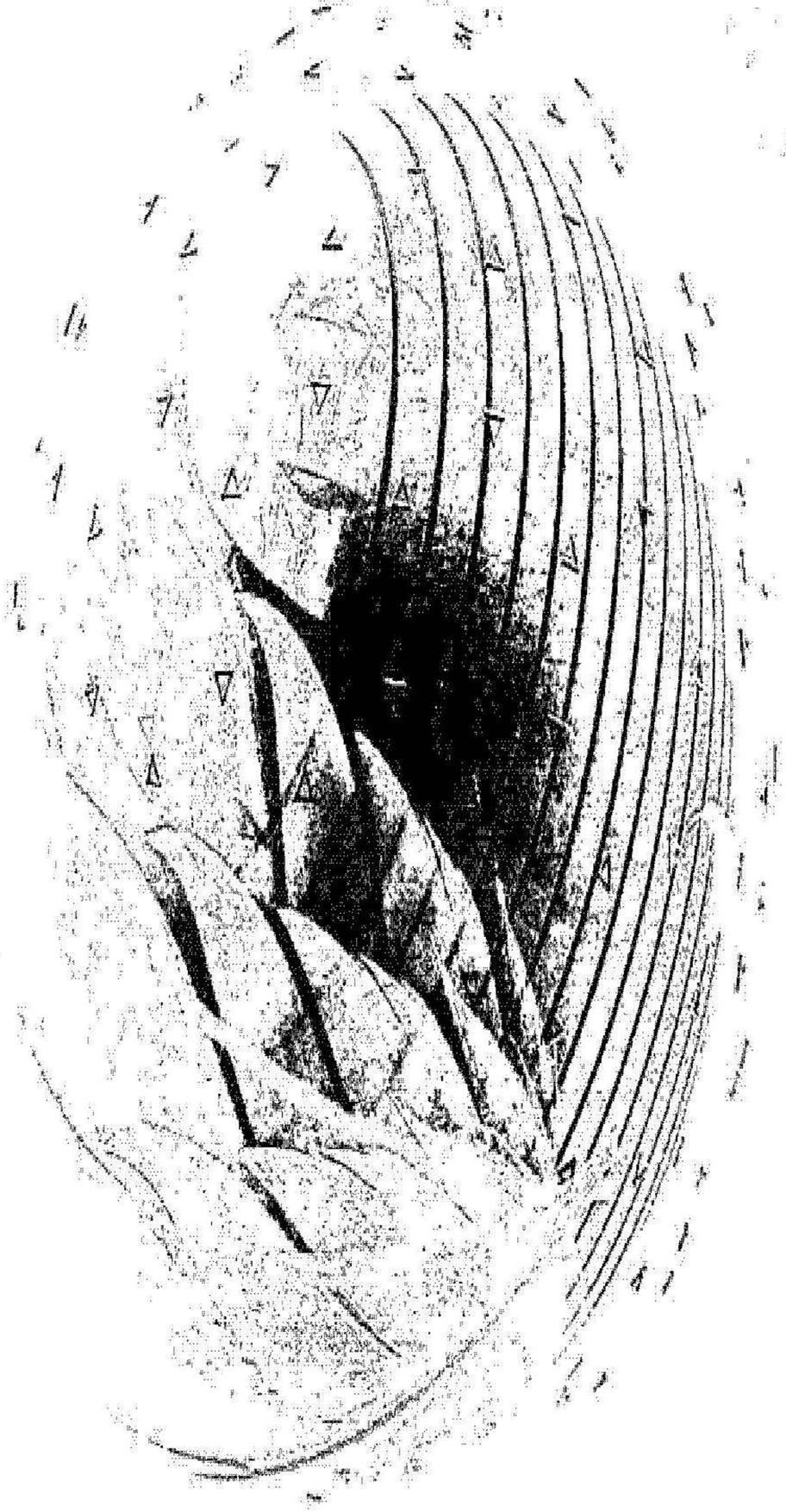
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tietoevry



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2023 HIGHLIGHTS

Q1

→ **OTP Bank Hungary completes card acquiring software replacement with Tietoevry Banking**
The successful implementation delivers faster time to market for new acquiring and merchant management products, and a single unified platform for card services across the bank.

→ **Klaus Andersen appointed as CEO of Tietoevry Banking**
With appointment effective 1 February 2023, Klaus Andersen also became a member of the Tietoevry Group Executive Management team.

→ **Joining the European Alliance for Industrial Data, Edge and Cloud to shape the digital future**
Tietoevry Tech Services contributes to the European partnership with its expertise as a Nordic cloud service provider, giving voice to our customers.

→ **Eidefoss selects Tietoevry to improve usage of data**
The new energy data management solution enables the customer to use data for insights that drive business opportunities, secure business operations and manage the energy transition.

Q2

→ **Tietoevry Tech Services starts operations, led by Satu Kiiskinen**
Tietoevry Transform and Tietoevry Connect businesses were combined as Tietoevry Tech Services effective from 1 April, 2023. Satu Kiiskinen was appointed as the Managing Director of the combined business, continuing as a member of Tietoevry Group Executive Management team.

→ **Celebrating Pride across the Nordics**
For us, this in an important way to live our values and show our support of the LGBTQ+ community as well as our commitment to human rights.

→ **Developing a Finnish speaking AI assistant for healthcare professionals**
Tietoevry Care starts developing an AI assistant that will provide effective support for searching and visualizing patient data, thus freeing up time for healthcare professionals that they can spend on actual patient work.

→ **3,000 certified Microsoft Azure professionals**
As part of a strategic partnership, we reached our goal of certifying 3,000 Microsoft Azure professionals at Tietoevry, creating the largest talent hub in the region and being able to help our customers capture the benefits of public and private cloud services.

Q3

→ **Acquiring MentorMate**
Tietoevry acquired MentorMate, a digital engineering company headquartered in Minneapolis, US, expanding our US customer base and global engineering, design, data and AI capabilities of our Create business.

→ **Göteborg Energi chooses Tietoevry for faster digitalization**
Outbound services provided by Tietoevry Industry aligns with Göteborg Energi's sustainability requirements to go from paper to entirely digital.

→ **The wellbeing services county of Central Finland co-developing Tietoevry's Lifecare client and patient information system**
Lifecare is developed in cooperation to implement high-quality and cost-effective health and social care services.

→ **Tietoevry rated in the top 1% globally in sustainability performance by EcoVadis**
Ecovadis, the world's largest provider of business sustainability rankings, gave Tietovery its highest platinum ranking, granted only to the top 1% of companies within its network.

→ **Tietoevry Tech Services selected as DigiFinland's ICT capacity services partner**
Together, we develop and maintain digital solutions that improve the effectiveness of Finland's social and health care, emergency services, and other critical public sector services.

Q4

→ **Carsten Henke appointed as Managing Director of Tietoevry Industry**
Effective 1 November 2023, Carsten Henke also became member of Tietoevry Group Executive Management team.

→ **Leveraging modernization and cloud services with LocalTapiola**
Tietoevry Tech Services will focus on enhancing quality and cost-effectiveness for the Finnish life security services provider by leveraging on their modernization and cloud services.

→ **DigiFinland chooses Tietoevry Create to design social and health care services**
Tietoevry Create and DigiFinland broaden their successful collaboration with design and consulting, benefiting the digitalization of the Finnish society.

→ **Tietoevry Banking wins Nordic Tier 1-bank contract**
Tietoevry Banking entered into a long-term contract to undertake a major overhaul of the card issuing and payments infrastructure for a Tier-1 bank serving millions of individual and corporate customers across the Nordics.



Solid performance and consistent progress with specialization

The year 2023 was a very dynamic one, impacted by the combined effects of the weaker economic environment and continued geopolitical uncertainty. At Tietoevry we continued the firm execution of our specialization-based strategy and were able to deliver solid and resilient business performance.

During the year we saw tangible advancement of Artificial Intelligence (AI) related technologies, including Generative AI. Tietoevry is fully embracing the phenomenon to enable the AI agenda of our customers and for our own products. We are also proud of our ESG agenda, where we continued to advance in 2023 in line with our high ambitions. Overall, 2023 can be characterized as a solid year – during which we consistently progressed with specialization and as a result, are also well positioned to capture opportunities in the data- and AI-driven world.

Consistent progress towards our software and digital engineering future

As the technology world becomes more cloud-native and AI-enabled, there are significant opportunities for software and technology services companies.

With the specialization strategy that Tietoevry chose in 2022, each of our software (Banking, Care and Industry), digital engineering (Create) and managed services & transformation (Tech Services) businesses pursue their distinct competitive position in the future market. We continue to believe that our pursuit of specialization is the best avenue for Tietoevry to capture the market opportunities in the future AI-enabled world and create value for all stakeholders.

During 2023 we again took concrete steps forward in our path to becoming a software and digital engineering focused company. This focus and specialization aim to further accelerate the

tietoevry

competitiveness of our businesses in the market and to accelerate shareholder value. During the year solid progress was made with the strategic reviews (announced in 2022) of Banking and Tech Services, with both expected to conclude during 2024 as planned. We also took a major step in accelerating our digital engineering business Create, through the acquisition of MentorMate in the United States (as announced in July 2023). This step enhances our presence and expansion potential in the US market alongside the scale of our global digital engineering capabilities.

During the year each of our specialized businesses progressed well in advancing their market positions with end-to-end responsibility.

Customers' resilience and advancing AI in a dynamic market in focus

The software and technology services industry is continuously advancing with data-driven and AI-enabled solutions building on the cloud foundation. The shift to cloud-native and data-driven technologies continues to be at the core of customers' drive for agility, productivity and competitiveness. This entire industry-wide transformation brings strong demand for cloud-native services, AI initiatives and software, with digital engineering as an underlying enabler.

The past year was a challenging one both in terms of macroeconomic developments and geopolitical instability. While 2023 started with strong market demand, it would consistently soften throughout the year. For our industry, the implications of the lower growth environment tend to drive further price-erosion in traditional managed services, delayed digital engineering initiatives and a slowdown of exploratory activities with limited visibility to business impact. Demand for software businesses remained relatively stable.

The year also saw significant AI-driven technology advancements, especially with the propagation of Generative AI (GenAI). This is expected to have profound impacts on future productivity and innovation in our industry. There are multiple initiatives underway across companies including Tietoevry embracing the possibilities, with very promising results. Adoption will accelerate as the technology matures. Naturally, as with any data-driven technology, AI and GenAI come with significant considerations for privacy, security and ethics to scale – the technology remains very exciting to pursue.

2023 – solid performance in a more challenging economic environment

At the beginning of 2023, Tietoevry reported a good start to the year – with it being our sixth consecutive quarter of strong growth. While we continued on a growth path and managed to maintain good profitability for the subsequent quarters too, continued high inflation, macroeconomic uncertainty and consequent weaker demand were visible and impacted our overall performance, with lower growth rates during the course of the year. We



could nevertheless see sparks of the underlying potential of our specialization strategy coming through; maintaining strong resilience in performance as a result of the efficiency measures initiated during the year.

For 2023, Tietoevry at the Group level achieved organic growth of 4% year-on-year, with profitability (adjusted EBITA) at 12.6% for the full year. The financial performance of the company in 2023 enables the continuation of attractive dividend levels, as defined in our financial ambitions.

The current macroeconomic environment is expected to continue during 2024 – highlighting the need for continued resilience in all our businesses.

High employee engagement reflecting our core values

The talent market cooled down clearly from the highly heated year of 2022, with attrition levels normalizing. In 2023 we welcomed around 2,500 new colleagues to Tietoevry. We continue to encourage and empower our employees towards continuous learning, tapping into new technologies to support both career development and business innovation.

Employee engagement is an important indicator of success for us. Our latest company-wide measurement in the last quarter of 2023 showed we have managed to maintain the high engagement level of the previous two years, which is encouraging. We rely on our core values of openness, trust and diversity at all times. As a concrete example, we continue to leverage the flexible hybrid ways of working co-created with our employees in 2021.

As Tietoevry we are devastated to see the war in Ukraine continuing. Tietoevry has around 2,000 employees in Ukraine and we continue to support our people and their families, including providing means for relocation and enhancing opportunities to continue working. It has been truly humbling to witness the resilience, courage and dedication of our Ukrainian colleagues under the highly stressful circumstances.

The security of our employees and our operations – including the services we provide to our customers – is a prime consideration for us at all times. We continue to carefully monitor the overall security and risk landscape in the world, having taken actions to enhance our resilience and preparedness as deemed necessary.

Strong progress with our sustainability agenda

The year 2023 marked the final one in our three-year Sustainability Plan, outlining our key priorities for ethical business conduct, climate action and creating an exciting place to work. We aim to be an industry benchmark and aligned with this, set high ambitions. I was pleased to see the progress across the identified key areas during the period, for example the increase of 2% in the share of female employees (from 29% in 2020 to 31% in 2023), the 84% emission reduction in scope 1 and 2 GHG emissions compared to 2020, and us reaching the level of 99% use of renewable electricity in our data centers and own offices globally (80% in 2020). The full overview of our 2020-2023 progress is available in a dedicated section in this report.

Our commitment to sustainability achieved the highest market recognitions again in 2023. We were able to retain our platinum level in the EcoVadis sustainability rating, which was granted this time only to the top 1% of performers globally. We also saw solid progress in our carbon-reduction targets, verified by the Science Based Targets (SBT) initiative.

Sustainability continues to increase in importance for all key stakeholders, employees, customers and investors. We recognize the opportunities that digitalization brings for our customers and for society at large, and we are committed to making advancements in key areas.

As a key activity, the thorough work for Tietoevry's next long-term Sustainability Plan was underway as planned in 2023, and during 2024 we will be introducing our updated approach and ambitions for the years ahead.

Looking ahead – high priority for resilience and capturing AI opportunities

Overall, 2023 was a very dynamic year with its own pockets of successes and challenges. Our transformation with specialized businesses to create higher value to all stakeholders is on track, strategic reviews are progressing as planned, the strong performance in our software businesses continued, and we continue to actively pursue opportunities in the AI-enabled world. The macroeconomy and demand have impacted our digital engineering and outsourcing businesses, which ended up on the weaker side of the equation. However, we see long-term potential and value-creation opportunity for all our businesses remaining high. The macro-economic uncertainty and weak demand environment will likely be with us for a while – at least for the first part of 2024. Reaching our long-term financial ambition for 2025 will require the market environment improving from what we are experiencing currently. We look forward to playing a very active role in the next wave of industry growth and accelerated value creation – also in terms of delivering the value potential of new technologies such as AI to our customers.

I want to sincerely thank all our stakeholders for the close collaboration in 2023, and we look forward to continuing it during the year 2024 ahead.

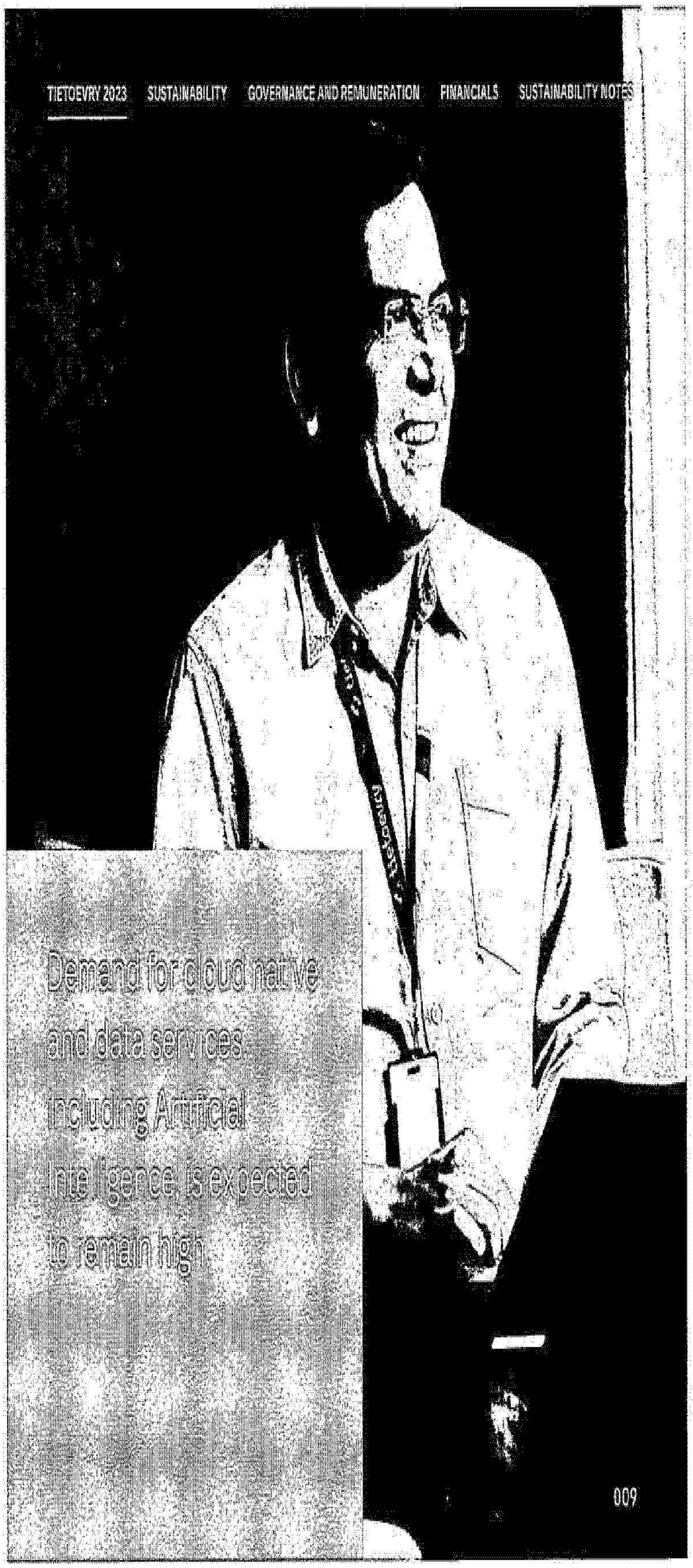
Kimmo Alkio
President and CEO

IT market development

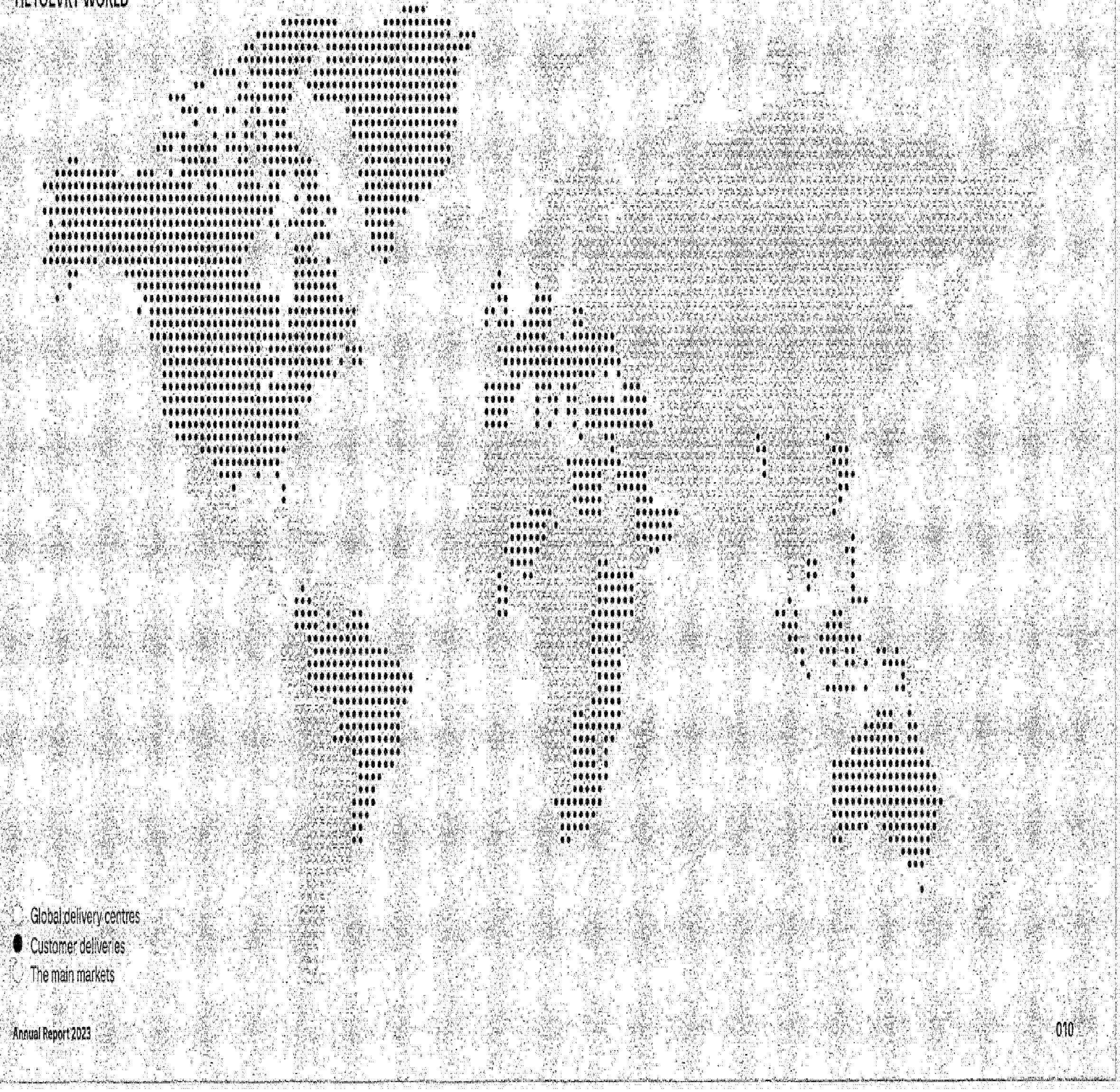
The shift to cloud-native and data-driven technologies continues to be at the core of customers' drive for agility, productivity and competitiveness. The cloud continues to be the foundation for business agility, with data at the core of competitive products and operations. Demand for cloud-native and data services, including Artificial Intelligence, is expected to remain high and to result in over 10% market growth for this area.

In our view, Generative AI (GenAI) will provide diverse opportunities for enhancing productivity and competitiveness both among our customers and in our own operations. The technology is expected to have a profound impact both in driving productivity and bringing enhanced software products and services to customers. To accelerate implementation, we are actively working to discover and concretize the benefits of GenAI by running efficient use cases across industries together with customers, and by expanding our network of partners.

At the same time, customers' focus will be on user experience, driving new business opportunities and growth. Customers continue to emphasize data sovereignty, security and business continuity as they adopt cloud technologies, with multi-cloud becoming a default. In a market characterized by cautious customer spending, outsourcing demand with embedded transformation to the cloud is expected to continue, resulting in a volume decline of up to 10% over time in traditional services. Service providers will be affected by customer demands for price reductions, limiting service providers' ability to increase prices and margins in the short term.



TIETOEVRY WORLD



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Specialization-based strategy for greater value to all stakeholders

Cloud and data technologies form the foundation of driving customers' priorities to be agile, competitive, innovative and secure. The software and technology-services industry is continuously advancing, with data-driven and AI-enabled solutions building on the cloud foundation. Tietoevry's strategy aims to capture the cloud-native and AI-enabled market opportunity through specialized software, digital engineering and managed-services businesses. Each business aims to be among the best in the market and all structural (M&A and divestments) and operational actions are considered to enable that agenda. Specialization drives a best-in-class customer proposition and attracts talent. Shareholder value creation is also supported by structural actions to unlock the value of the group and our individual businesses.

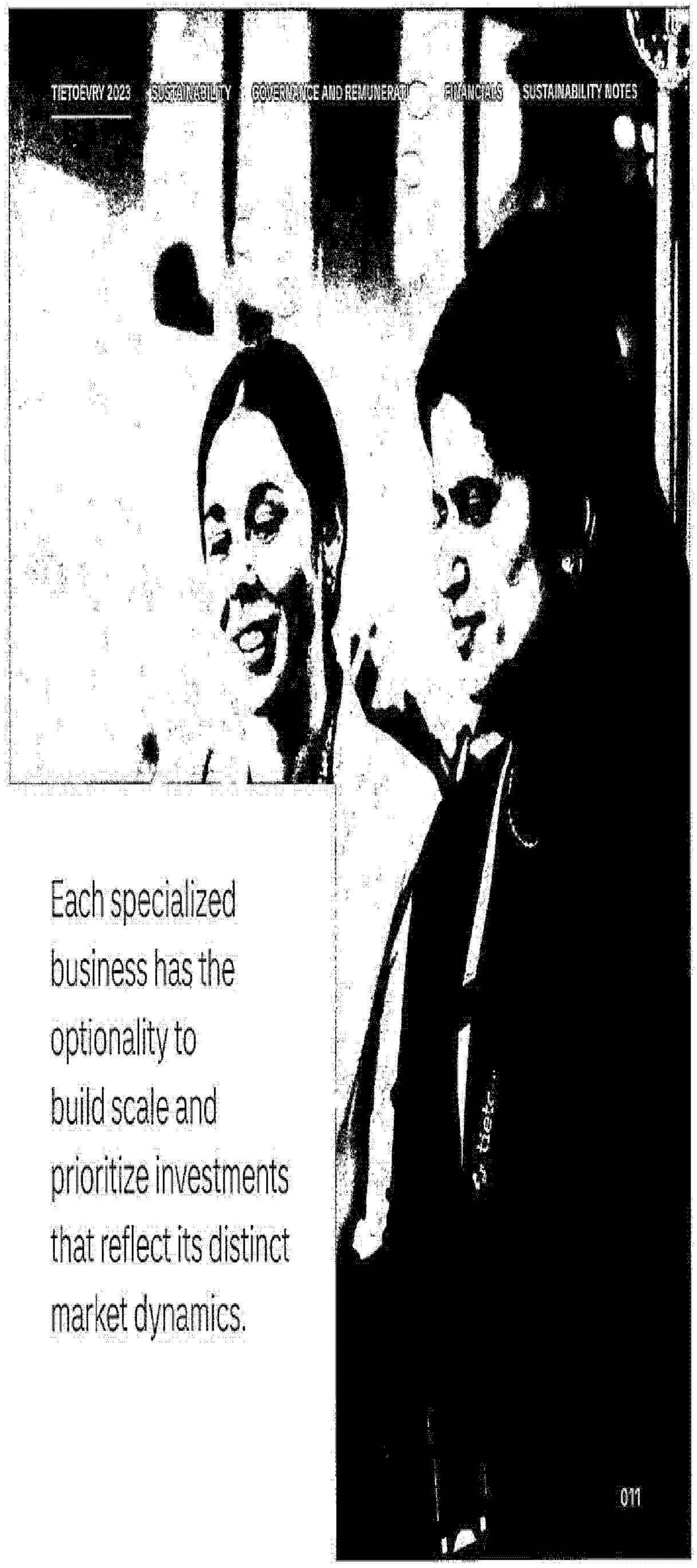
Specialized businesses taking advantage of cloud, data and software market growth

Specialization forms the cornerstone of our strategy. Our five specialized end-to-end businesses aim to take advantage of cloud, data and software market growth. Each individual businesses has the optionality to scale, as well as to prioritize investments that reflect the distinct dynamics, business proposition and value potential of its market. The businesses across digital engineering, software, and managed services and transformation are:

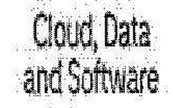
Tietoevry Create accelerates customers' digital agenda to create competitive products and data-driven businesses utilizing design, data and cloud technologies. This is a global business with software and data engineering at its core

Tietoevry Banking is a provider of a scalable Banking-as-a-Service platform and leading software products to drive digital transformation and efficiency for financial institutions

Each specialized business has the optionality to build scale and prioritize investments that reflect its distinct market dynamics.

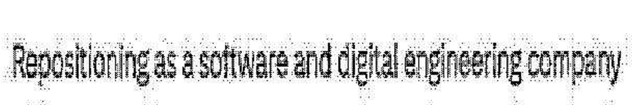


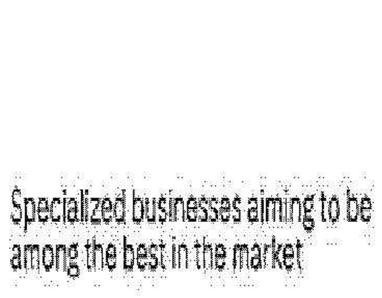
SPECIALIZATION-BASED STRATEGY FOR GREATER VALUE TO ALL STAKEHOLDERS











Tietoevry Care provides modular and interoperable software, reinventing Nordic health and social care to enhance the care personnel and citizen experience

Tietoevry Industry is a portfolio of distinct competitive software and data solutions across a wide variety of industry domains. These domains include the public sector, pulp & paper and utilities

Tietoevry Tech Services drives enterprise-wide transformation across customers' business processes, applications and infrastructure. Deep customer knowledge, global cloud & data competencies, automated operations and a multi-cloud platform provider with a full range of infrastructure choices at scale form its foundation.

The businesses have full operational responsibility, including go-to-market, service portfolio, delivery capabilities, compensation models, investments and partnerships.

Repositioning Tietoevry as a leading software and digital engineering player globally

We aim to unlock value through strategic reviews of Tietoevry Banking and Tietoevry Tech Services. Tietoevry seeks to reposition itself as a leading software and digital engineering player globally. An active M&A agenda, together with strategic reviews, form a solid foundation for the ongoing transformation of the company.

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Sustainability

014 Solid sustainability performance in an evolving society

017 Managing sustainability

025 Sustainability dashboard

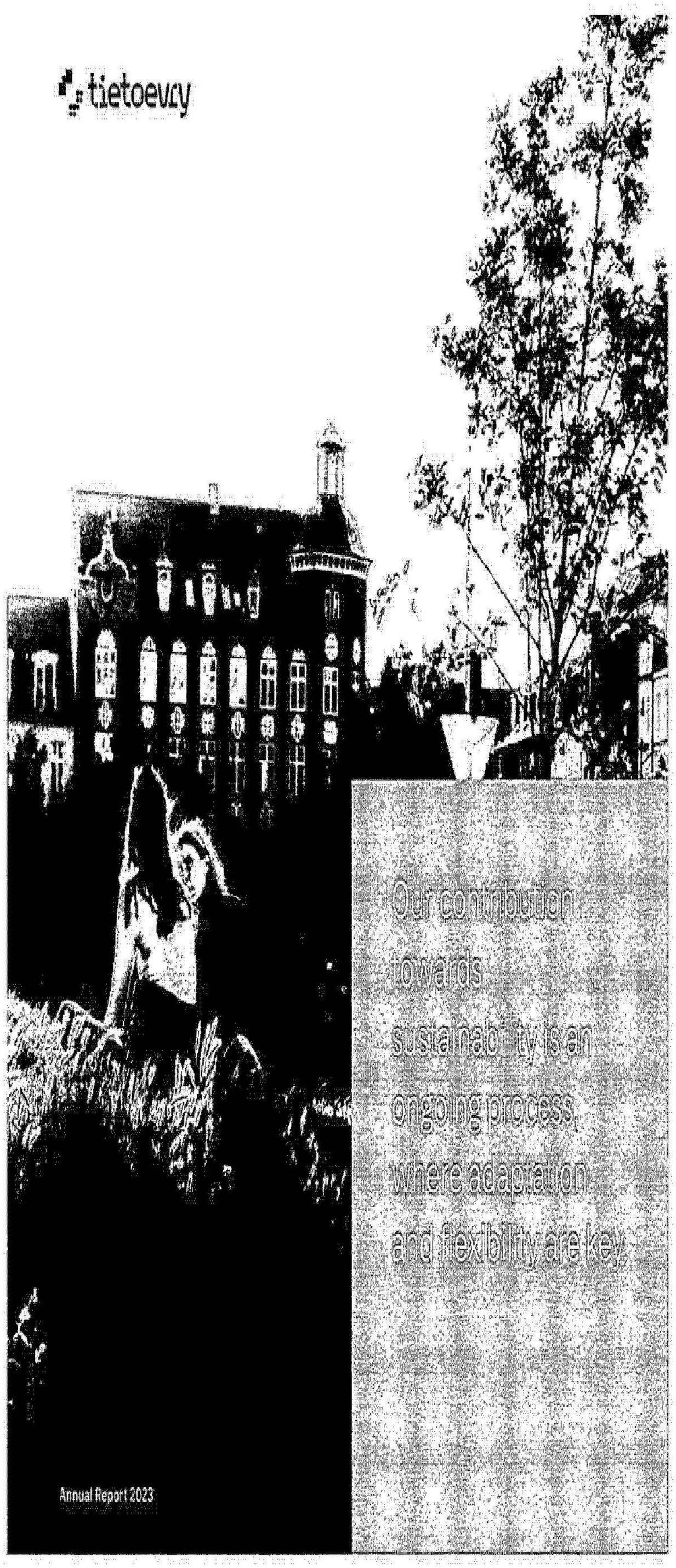
027 Stakeholder engagement and materiality analysis

031 Responsible operations

032 Climate action

045 Exciting place to work

064 Ethical conduct



Solid sustainability performance in an evolving society

Tietoevry introduced its "Sustainability Game Plan 2023: Upgrading tomorrow" in February 2021. Our noteworthy sustainability achievements include reducing our environmental footprint and exceeding our climate-action targets. We have also made solid progress in the area of human rights, with a systematic and process-oriented approach. Under Climate action, we not only met our targets but even exceeded them. Our work continues across the organization.

Since establishing the plan, society has witnessed a global pandemic, a war in Europe and significant advancements of emerging technologies such as Artificial Intelligence and blockchain. As a result, the need for activities that accelerate sustainable change has been vast.

Tietoevry's Sustainability Game Plan was two-fold. The foundation was built on Responsible operations within three areas: Climate Action, Exciting place to work and Ethical Conduct. The second part, Impact Opportunities, focused on the areas Planet, People and Society. You can find a summary under the section sustainability dashboard, showing all the targets, areas and their progress during the years.

Climate Action: Strong focus with external validation

Under climate action, Tietoevry has made solid progress throughout the years. Tietoevry set ambitious targets to reduce scope 1 and 2 greenhouse gas emissions by 80% by the end of 2023 and to achieve 100% carbon-free electricity in our data centers and offices by 2023. In base year 2021, we recorded a significant 43% decrease in greenhouse gas emissions. By 2023, we surpassed our target, achieving an 84% reduction in GHG gas emissions. This accomplishment is largely due to a high level of renewable energy in our offices and data centers, as well as consolidation activities. For our carbon-free electricity target, Tietoevry's

target was 100% renewable electricity. Our 2023 level is 99%. We are happy with this achievement, considering the energy crisis in 2022 and the rising prices of available renewable electricity.

A key milestone for us in climate action was having Tietoevry's commitments to Science Based Targets verified in 2022. We were awarded the best A-level results in the Carbon Disclosure Project (CDP) for three consecutive years (2021–2023).

In the sub-area of Circularity, Tietoevry aimed for 100% reuse and recycling of hardware, with a focus on laptops and mobile phones. In base year 2021, we achieved 70% reuse and recycling of internal devices and 86% for customer devices. By 2023, these figures rose to 93% for internal hardware and an impressive 98% for customer hardware. We are pleased with the progress, but acknowledge the need for continued acceleration in climate action.

Ethical Conduct: A foundation for secure operations

Under Ethical Conduct, Human Rights, our target was to conduct a formal Human Rights Impact Assessment for a business entity. We successfully completed a human-rights risk screening in 2021, concluding in 2022, and successfully completed a formal Human Rights Impact Assessment achieving our target in 2023. We have built a strong foundation, raised awareness within the organization, and are looking forward to further accelerate our efforts within the area.

In Cybersecurity and Privacy, our target of zero substantiated complaints concerning breaches of customer privacy and losses of customer data has been consistently met for three consecutive years, emphasizing the critical nature of these elements for business continuity.

For Business Ethics and Anti-Corruption, we set two targets: a 90% completion rate for our Code of Conduct e-learning and 100% confirmation of receipt of a whistleblowing notification within four business days. Tietoevry has consistently exceeded the Code of Conduct completion rate, demonstrating a steady increase year by year, with 96% achieved in 2023. Additionally, our whistleblowing target has been achieved for three consecutive years, confirming the effectiveness of our whistleblowing unit and alignment with current rules and regulations.

Under Responsible Sourcing, our target was for 100% of new or renewed suppliers to agree to Tietoevry's Supplier Code of Conduct. For two consecutive years, we have maintained a commendable 100%, showcasing our commitment and process-driven approach to sustainability in our supply chain.

Exciting Place to Work: Engagement and diversity in focus

In our pursuit of creating an exciting place to work, particularly in Diversity and Inclusion, Tietoevry set targets to achieve 40% female employees by 2026 and 50% by 2030. While we faced challenges with the industry-wide candidate





pool and a shortage of female talent, we made progress, reaching 31% female representation within our organization. Recognizing diversity as a priority, we have undertaken various initiatives to encourage girls and women to explore opportunities in the technology industry.

In the sub-area of Employee Experience, our target was to maintain an employee-engagement score above 75%, a goal that we are pleased to report has been surpassed for three consecutive years. There continues to be a strong demand for skilled professionals, particularly in areas such as cybersecurity, cloud computing and Artificial Intelligence. A strong sustainability foundation increases our appeal as an employer.

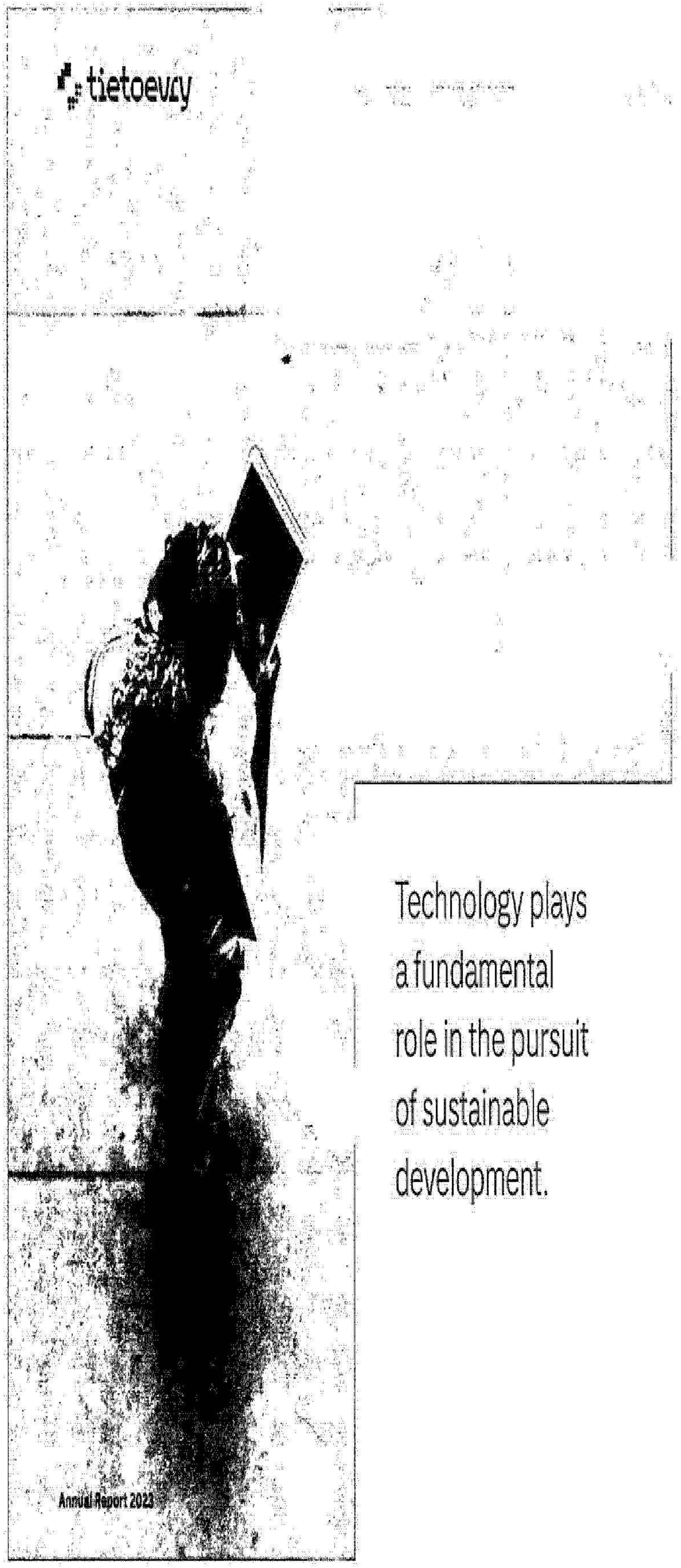
An acceleration approach

Our contribution towards sustainability is an ongoing process, where adaptation and flexibility are key. In 2024, Tietoevry will launch a new long-term sustainability plan that is grounded in stakeholder expectations and the evolving regulatory environment. It shows how Tietoevry as a global technology company can pay a pivotal role in addressing some of the greatest challenges in modern societies.

Technology is critical in facilitating global collaboration and knowledge sharing, which allows us to tackle sustainability challenges collectively. Sustainability is not just a philanthropic gesture, but a strategic requirement with which we futureproof our company. Tietoevry remains committed to further advancing and accelerating our sustainability efforts.

Ida Bohman Steenberg
Chief Sustainability Officer

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Managing sustainability

Technology plays a fundamental role in the pursuit of sustainable development.

Information technologies now cut across almost all aspects of societies and human life. The technology and software industry thus plays a crucial role in the pursuit of sustainable development. We have significant opportunities to advance sustainability, whether through technologies that aid in reducing emissions, or by enhancing accessibility to affordable healthcare through digital solutions.

At the same time, the resource intensity of cloud computing and Artificial Intelligence is widely recognized, the global digital divide is growing and technologies can be misused to repress human rights. Other contextual issues that affect how we focus our sustainability efforts and the related management of impacts are, for instance, the general increase of data breaches, the gender gap in the IT sector and the rapid increase of electronic waste generated every year. Trends and issues like these are regularly analyzed in order to determine Tietoevry's actions and priorities.

At Tietoevry, we need to be environmentally, socially and economically responsible across our operations and throughout our value chain in order to meet the requirements and expectations set by our stakeholders. Responsibility means that we need to have effective governance, compliance, operational processes, tools and ways of working in place. As a company, we align our sustainability practices with international norms, frameworks and legislation covering business ethics, the environment, human rights and labour rights.

Our sustainability management approach is based on the principles of the United Nations Global Compact (UNGC) and aligned with the UN Sustainable Development Goals. Furthermore, Tietoevry is committed to the UN Guiding Principles (UNGPs) on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

But our sustainability efforts are not only about complying with laws and regulations. We are determined to show the way and be an ethical leader in the technology industry.

SUSTAINABILITY GAME PLAN 2023

Sustainability impact analysis

Analyzing and quantifying the environmental, societal and financial impacts of our service.

Ethical design

Development of ethical software.

People

Solutions to reduce carbon footprint

We help to optimize production and logistics, digitalize processes and support in the re-use and recycling of material.

Services for data-driven sustainability

Solutions to collect, compile and visualize the current state and thereby enable customers to integrate accurate sustainability data into decision-making and plans.

Planet

Impact opportunities

Society

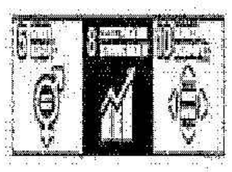
Business ethics and anti-corruption



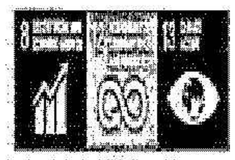
Cybersecurity and privacy



Human rights



Responsible sourcing



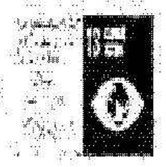
Ethical conduct

Responsible operations

Climate action



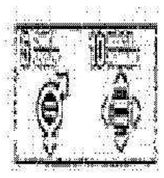
Energy usage and greenhouse gas emissions



Circular economy practices



Diversity and inclusion



Employee experience



tietoevry

With the purpose of promoting long-term and sustainable industry development and regulation – in collaboration with peers at the local, national and international levels – we affiliate ourselves with several voluntary industry organizations and initiatives. These include:

- → CDP (Carbon Disclosure Project)
- → CSR Sweden
- → FIBS (Finnish Business & Society)
- → UN Global Compact (UNGC)
- → Diversity Charter Sweden
- → TechSverige
- → The Federation of Finnish Technology Industries

We also take part in unofficial discussions with peers and other companies through, for example, topical roundtable discussions and seminars. The aim is to learn and advance our practices.

Tietoevry's three-year sustainability strategy – our Sustainability Game Plan 2023 – has been the roadmap guiding our efforts towards integrated sustainable practices across our value chain. The plan is based on a materiality analysis conducted in 2020, and a process to identify areas where sustainability is a driver for value creation and customer engagement. The plan is two-fold, aimed at ensuring Tietoevry runs responsible operations, and providing focus on the business and impact opportunities we share with our customers.

Responsible operations comprise three broad themes – climate action, ethical conduct, and Tietoevry as an exciting place to work – with focus areas under each theme. Our business impact opportunities lie in a range of solutions and services that accelerate and improve our customers' sustainability performance, and that can create a positive large-scale impact on society. The plan also details how we contribute to the UN Sustainable Development Goals (SDGs). The relevant SDGs were selected through principled prioritization, in line with the guidance provided by the GRI and UNGC.

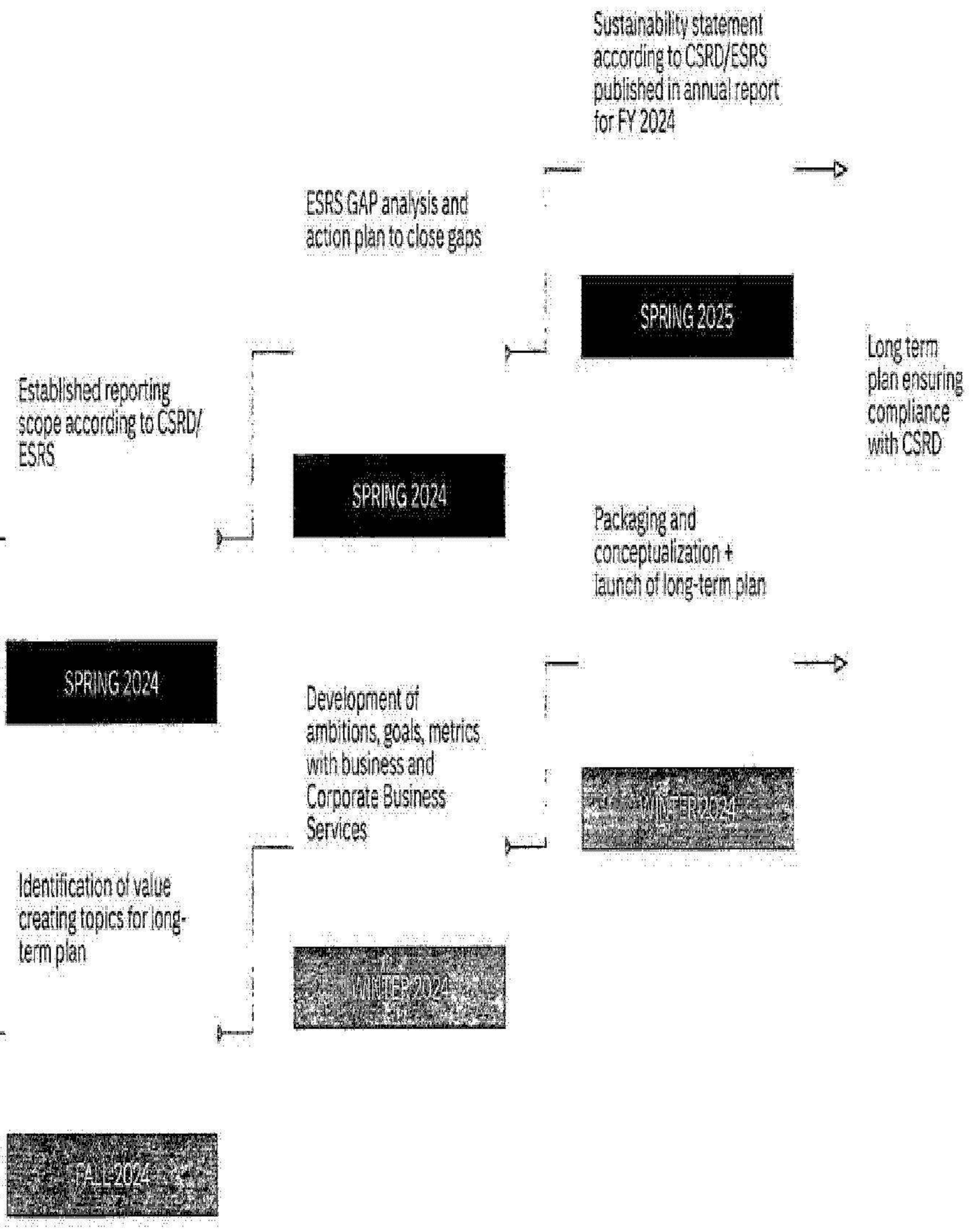
During 2023, Tietoevry embarked on developing a new long-term sustainability plan – building on the learnings from the current Sustainability game plan – with ambitions to further advance our sustainability efforts. The plan is scheduled for approval by the management and presentation to the Board in the early part of 2024, followed by external publication.

Governance and responsibilities

Tietoevry's highest governance body, the Board of Directors (the Board), is accountable for guiding the company's strategy on environmental and social topics. Our governance structure, including the composition and committees of the highest governance body, is described in detail in the Corporate Governance Statement of this annual report (*see page 88*). That section also describes the nomination and selection process, including related criteria.



TIETOEVRY'S EIGHT STEPS TO CREATE A NEW LONG-TERM PLAN AND COMPLY WITH THE CSRD



Considering the requirements of recent and updated legislation, such as the Corporate Sustainability Reporting Directive (CSRD) and other expected regulations, we need to ensure that the members of Tietoevry's Board possess relevant competencies from the perspective of how we impact our surroundings and how external events might impact the company's success. Hence, it is vital that adequate competencies in the ESG area are represented in the Board. We strive to increase the level of knowledge within the Board about the topics most material to us in terms of our risks, opportunities and impact on people and the planet.

Throughout 2023, attention has been directed towards the forthcoming CSRD and its implications for Tietoevry, prompting two presentations on the subject to the Board. The EU Taxonomy was also addressed in a Board session.

The Board assesses the environmental, social, and governance (ESG) aspects of the company, examining associated risks, establishing targets, and assessing the implementation and effectiveness of initiatives. This includes integrating ESG-related metrics into incentive structures within the company.

The Sustainability Steering group (SSG) and our operational managers lead the work towards our sustainability ambitions. The SSG, chaired by the Chief Sustainability Officer, meets bi-monthly and represents different businesses and functions at Tietoevry, including members of the Group Executive Management Team.

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The Audit and Risk Committee (ARC) of the Board annually reviews the non-financial information, including our performance against agreed sustainability goals and identified sustainability related risks. The ARC also receives quarterly reports on selected sustainability related impacts – both actual and potential. Reports on whistleblowing incidents are delivered to the ARC twice a year, while any topics that are urgent or of critical concern can be reported ad hoc. Our ambition is to regularly complement these reports with a wider scope of information on potential and actual impacts, as well as risks and opportunities. This will allow the ARC to have broader insight into the management of our impacts, risks, and opportunities, as well as to assess the effectiveness of our management.

Managing sustainability risks and impacts

Tietoevry's internal control framework includes a process for identifying potential negative impacts that the company may have on its operating environment. The process also details the escalation procedure should the company's mitigation measures become necessary. The framework endorses ethical values, good corporate governance and risk-management practices.

Tietoevry is committed to enterprise-wide risk management to ensure its corporate governance responsibilities are met and its strategic goals are realized. The risk-management framework comprises the risk management organization and related policies, rules, processes, tools and common ways of working. The risk management organization develops and maintains the company's risk management framework, including risk reporting, risk management governance and follow-up of risk exposures comprising strategic, financial, operational, compliance and ESG-risks.

During 2023, efforts to improve the corporate risk management framework have continued. For example, the risk matrix has been improved to ensure that ESG factors each have their own impact scales. This facilitates the assessment of ESG-related risks. During 2024, awareness raising activities are planned to ensure that the updated risk-management framework is being properly used to better allow for the company to capture ESG-related risks. Risk management as well as major risks are described in detail in the non-financial information in the Financial Review.

Tietoevry's operational sustainability work is facilitated by the company's Sustainability team and is supported by the Sustainability Steering Group. The Sustainability team is led by the Chief Sustainability Officer, who is also responsible for reviewing, updating and aligning the company's sustainability policies and processes with current legislation. The Chief Sustainability Officer reports directly to the Chief Financial Officer.

The management of specific responsibility areas based on our material topics is handled by appointed area owners, each of whom is responsible for reporting on area-specific goal performance.



Long-term sustainability goals are presented in the Sustainability Game Plan 2023, which has been approved by the Sustainability Steering Group and the CEO. The management of specific responsibility areas is presented in more detail in the respective sections of this report.

Policies and rules providing strategic direction and practical guidance

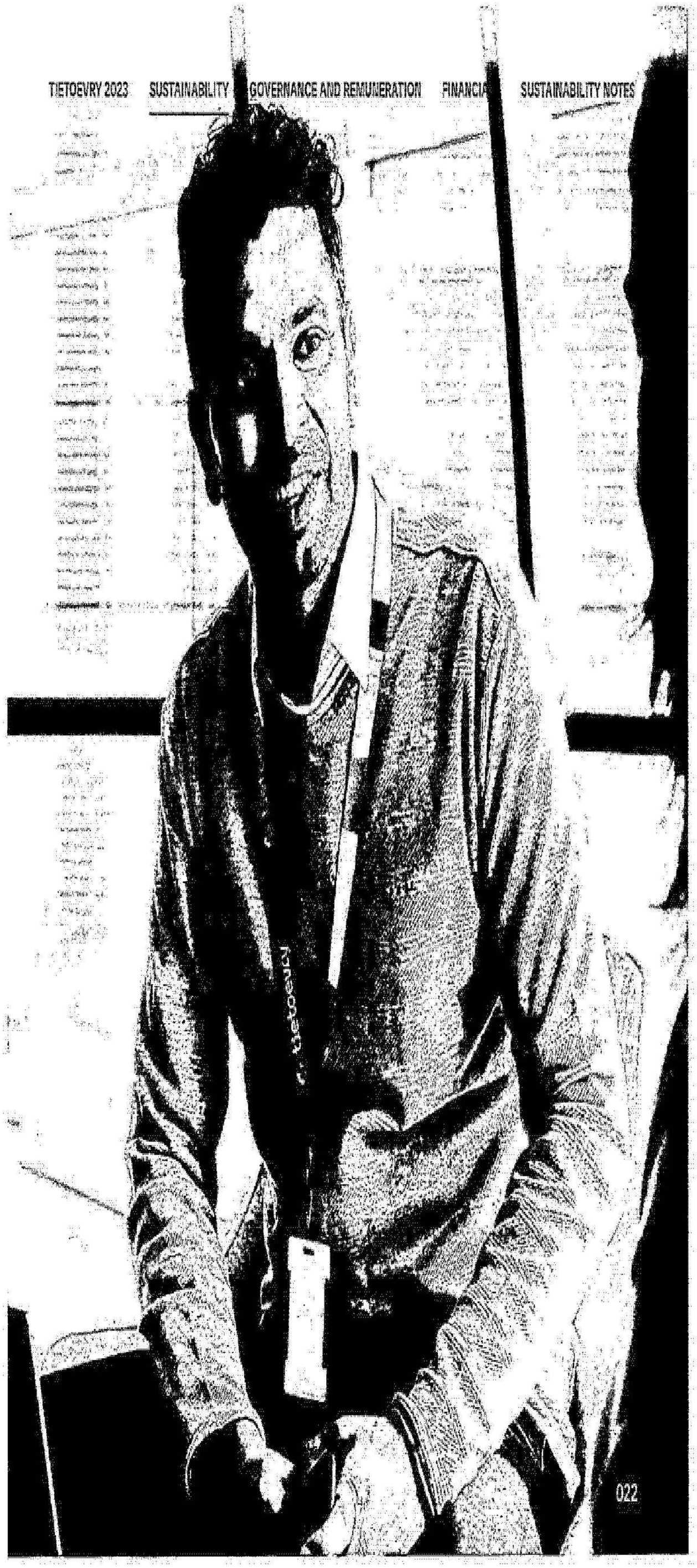
The company's ethical principles are summarized in the Code of Conduct policy. The Code applies to all Tietoevry employees, hired consultants, board members and other company representatives, including any third-parties contributing to Tietoevry's services, products and any other business activities. Revised and updated in 2022, the Code is aligned with international legislation and frameworks, as well as with local legislation. During 2023 the renewed Code of Conduct e-learning was rolled-out to all Tietoevry's employees.

Our Anti-Corruption Rule, reviewed in November 2023, provides practical guidelines on how to evaluate and avoid unethical behaviour. An anti-corruption training was developed and rolled-out to our employees during 2023. The Environmental policy, which is compliant with ISO 14001 requirements, outlines our precautionary approach to environmental management within the company and throughout the value chain. Tietoevry's Human Rights policy emphasizes the company's commitment to upholding internationally recognized human rights for individuals affected by our business in our operating domains and value chains. In addition, there are several other policies and rules supporting the management of specific sustainability areas.

Tietoevry's Whistleblowing Rule defines our common way of managing all whistleblowing notifications made to our centralized channel or to our Internal Audit, Human Resources and Legal and Compliance functions. Our Whistleblowing Unit is responsible for logging and investigating any cases and following up on escalations, as well as for initiating preventive actions related to the cases.

At Tietoevry we are committed to a culture where employees feel safe to speak up and report concerns, and we adhere to the principle of non-retaliation. The handling of escalations is described in more detail under the chapter Business ethics and anti-corruption and for harassment and discrimination under the chapter Diversity and Inclusion.

All policies, rules and processes covering sustainability apply to our entire organization and are reviewed each year as part of our compliance program. An overview of these can be found in the table on page 23 and a more detailed description is outlined in the chapters included in the report.



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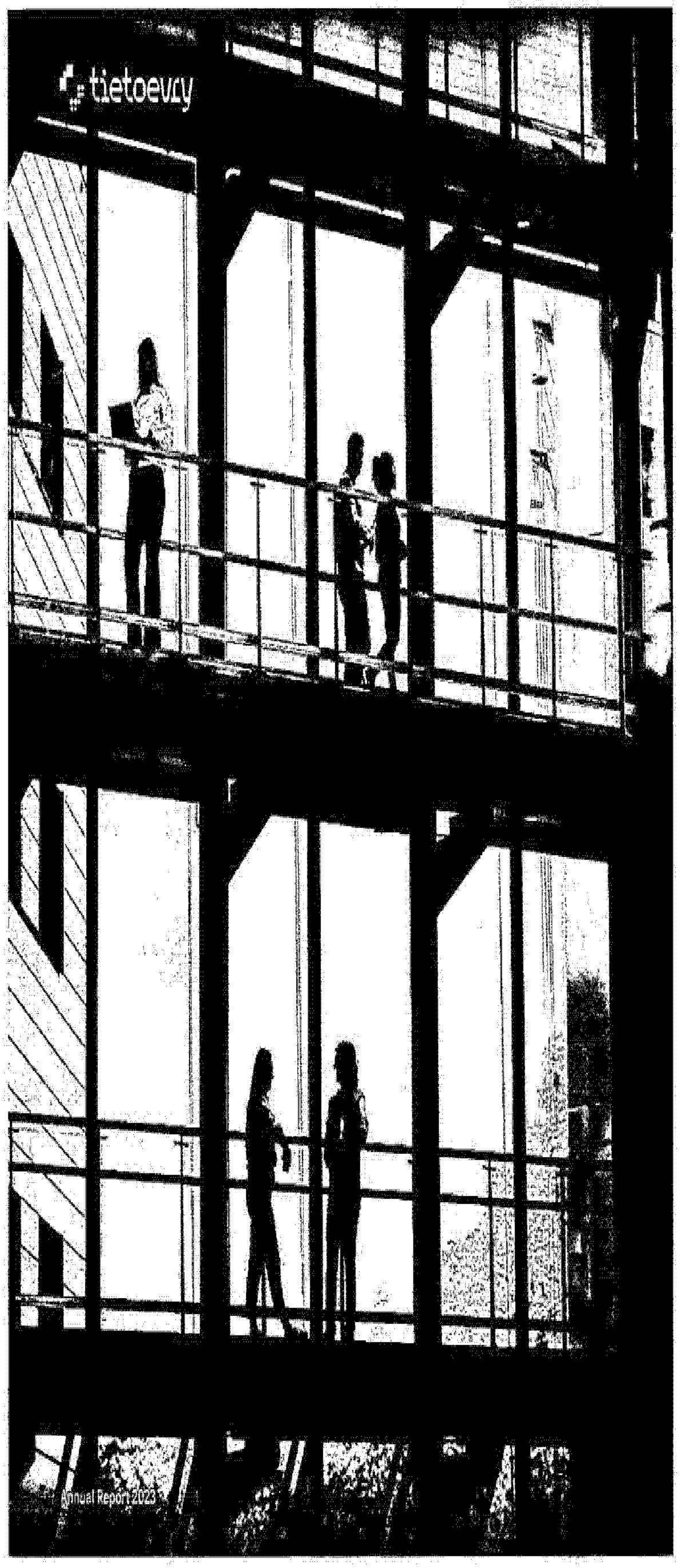
Building on the corporate-level human rights risk screening conducted in 2022, and the ongoing review of identifying and managing sustainability-related risks, Tietoevry continues to further strengthen and clarify the due-diligence process for identifying and managing the company's impact on people and the environment. Several work streams have been initiated to ensure these impacts are taken into consideration in business critical processes. Representatives from the Sustainability Steering Group are involved in these work streams and will have a role in the oversight of the due diligence. Significant and challenging matters identified through the due-diligence process will regularly be escalated to our Group Legal and Compliance function, and salient issues shall be reported periodically to the ARC of the Board.

Implementing sustainability in daily business operations

To support our organization in implementing sustainability in daily business operations, our Sustainability Management Process has been included as part of the business-process system. This process is built on the best practices of the UN Global Compact Management Model and the GRI Standards, and it formally outlines the role of a Responsible Area Owner (i.e. a dedicated owner of each of our material topics and related management and plans). Our Code of Conduct e-learning further supports the implementation of sustainable and ethical business practices across the entire organization. In addition, we

POLICIES AND PROCESSES COVERING SUSTAINABILITY AREAS

	Ethical conduct	Climate action	Exciting place to work
Sustainability areas	1. Business ethics and anti-corruption	5. Energy usage and greenhouse gas emissions	7. Diversity and inclusion
	2. Human rights	6. Circular economy practices	8. Employee experience
	3. Cyber security and privacy		
	4. Responsible sourcing		
Policies	**Policies, rules and guidelines**		
	Code of Conduct policy (1, 2), Non-audit services rule (2, 3), Anti-corruption rule (1, 2), Whistleblowing rule (1, 2, 3, 7, 8), Competition rule (1, 2), Source to Pay policy (4), Supplier Code of Conduct rule (1, 2, 4, 5), Environmental policy (4, 5, 6), Information classification rule (3), Security policy and Security rule (3), User Security rule (3), Privacy policy (3), AI policy and AI rule (1, 3), Health and Safety policy (1, 8), HR policy (1, 2, 7, 8), Insider rule (1), Public Authority Request rule (1, 3), Human Rights policy (1, 2, 3, 4), Travel rule (5), Know your counterparty rule (1, 4)		
Due diligence processes	Internal and external audits (1, 2), Governance, risk and compliance management (1, 2, 3), Sourcing to pay (4), Supplier self assessment (4), Environmental management process (EMS) ISO14001 (4, 5, 6), ISO27001 (3), ISO31000 (3), ISAE3402 audits in Data Centers (3), ISAE 3000 Assurance of non-financial information (1, 2, 3, 4, 5, 7, 8), Information and cyber security audits and assessments (3), CDP Climate Change program (4, 5, 6), HR processes (1, 7, 8), Employee engagement survey (8), Human rights impact assessments (1, 2, 7), Opportunity Management process (1, 3)		
	Sustainability management process, sustainability materiality assessment for Sustainability game plan 2023		
	Whistleblowing channel		



have an environmental e-learning that supports the implementation of our Environmental Management System and related ISO 14001 certifications. Our annual training curriculum "Tietoevry Essentials" also includes e-learning courses on GDPR and general security guidelines.

The development of business opportunities and deliveries related to Tietoevry's impact opportunities is driven by each business. These efforts are supported by the Sustainability team. We continuously encourage our employees to engage in our corporate-wide sustainability agenda, as well as to deepen their knowledge to enhance sustainability in our customer engagements. Our "Sustainability Curriculum" is a learning program with modules on sustainability topics. It is available to all employees in our learning management system, along with our Sustainability Game Plan 2023.

The Sustainability team, together with the Responsible Area Owners, provide support in sustainability matters for internal functions such as Sourcing, Human Resources and our customer teams. Our sustainability approach and ambitions are also included in the company's sales materials. These materials help our customer teams to communicate about sustainability at Tietoevry and to respond to our customers' sustainability requests.

SUSTAINABILITY DASHBOARD

Responsible area	Goal	Result 2021	Result 2022	Result 2023	UN Sustainable development goal
ETHICAL CONDUCT					
Human rights	2023: Conduct a formal Human Rights Impact Assessment for a business entity	Group-wide human rights risk screening conducted in 2021 with completion in 2022.	In progress	Completed	
Cybersecurity and privacy	2023: Zero substantiated complaints concerning breaches of customer privacy and losses of customer data*	Zero	Zero	Zero	
Business ethics and anti corruption	2023: 90% completion of ethics training (CoC e-learning)**	93%	96%	96%	
	2023: 100% confirmation of receipt of a whistleblowing notification within four business days of receipt	100%	100%	100%	
Responsible sourcing	2023: 100% of new or renewed suppliers agreeing to Tietoevry's Supplier Code of Conduct***	99%	100%	100%	
CLIMATE ACTION					
Energy usage and GHG emissions	2023: 80% reduction of scope 1 and 2 greenhouse gas emissions (GHG) by FY23	44% reduction	70% reduction	84% reduction	
	2023: 100% carbon free electricity in own data centers and offices	92%	95%	99%	
Circular economy practices	2023: 100% reuse and recycling of hardware****	Internal: 70 %, Customer: 86 %	Internal: 93 %, Customer: 95 %	Internal: 93 %, Customer: 98 %	
EXCITING PLACE TO WORK					
Diversity and inclusion	2026: 40% female employees by 2026: 50% female employees by 2030*****	29% female employees	31% female employees	31% female employees	
Employee experience	2023: Employee engagement score >75	78/100	82/100	82/100	

* Substantiated complaints regarding customer privacy and losses of customer personal data is defined as security incidents where national authorities has issued financial fines to Tietoevry related to the topic.

** Measured on an annual basis.

*** Scope: Agreements made through the Sourcing function. Note that the scope also includes suppliers' versions of Code of Conducts as agreed by our Head of Sustainability. More information on the process under Responsible Sourcing.

**** Scope: Result based on reuse of returned devices (mainly laptops). Data accuracy: data is based on our main hardware supplier's reports. This supplier provides close to 70% of Tietoevry's devices. Baseline for measurements is FY 2021.

***** Permanent employees (headcount)



During the past year we received several acknowledgments for our sustainability efforts and performance.

EcoVadis

For the third consecutive year Tietoevry has achieved EcoVadis' highest platinum rating, granted to the top 1% of companies within the global EcoVadis network. The rating acknowledges Tietoevry's consistent commitment and performance towards the environment, labour rights, human rights, ethics and sustainable procurement.

CDP

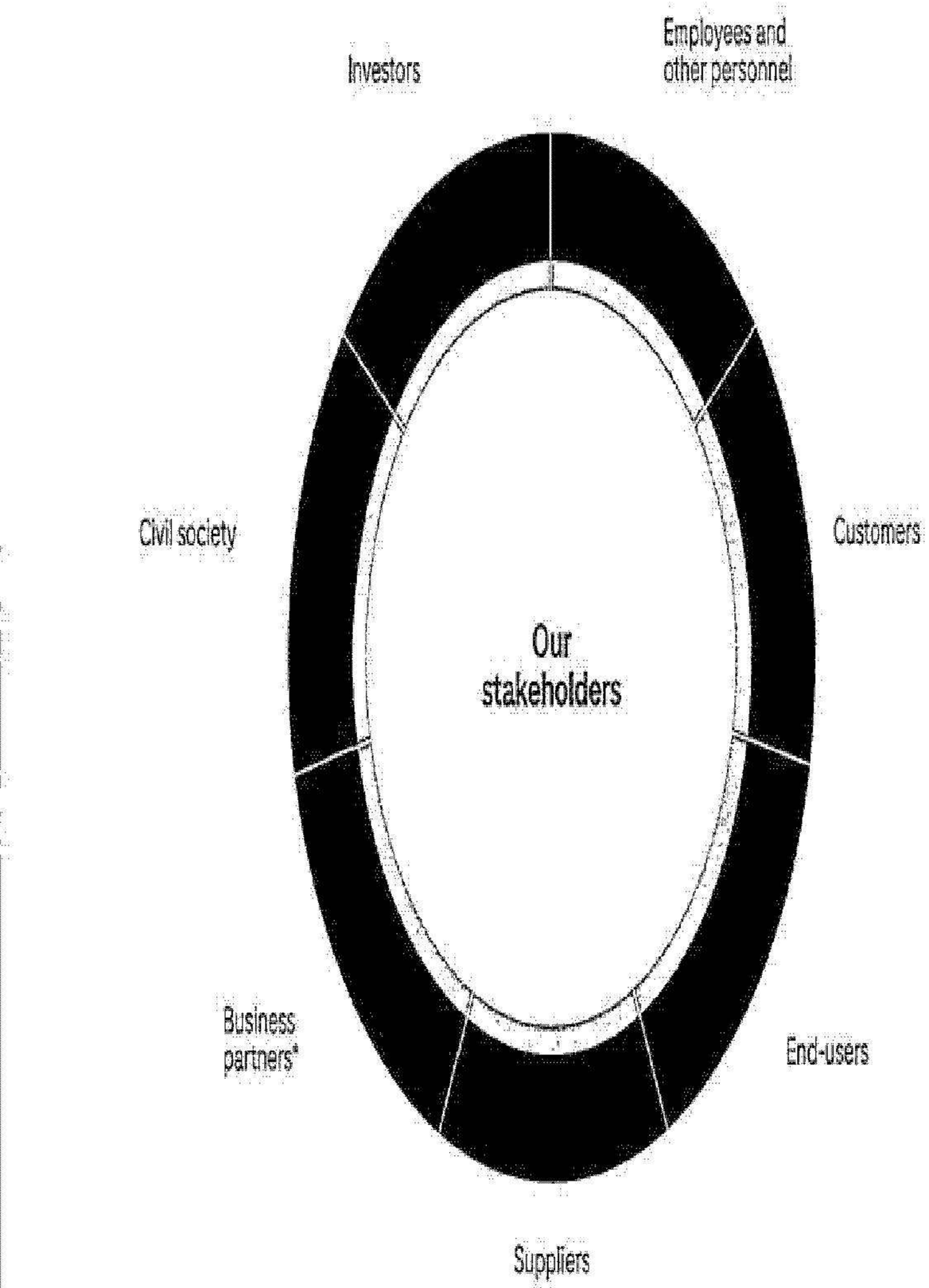
In 2023, Tietoevry achieved level A in CDP Climate Change scoring. Our CDP score exceeds the IT sector and CDP program averages.

OMX GES Sustainability Finland Index

Based on our sustainability performance, Tietoevry is now listed as part of the OMX Finland Sustainability Index calculated by NASDAQ OMX and GES Investment Services. This is a benchmark index comprising NASDAQ OMX Helsinki listed companies that lead in sustainability.

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TIETOEVRY'S STAKEHOLDERS



*Business partners include actors such as academia, start-ups, businesses, as well as civil society organizations.

Stakeholder engagement and materiality analysis

Stakeholder feedback is key to ensuring business success. Insights from our stakeholders help us to better understand and identify our impacts on people and planet. Continuous dialogue with stakeholders also gives Tietoevry a better view into the risks and business opportunities that lie ahead of us. With sustainability expectations growing all the time, stakeholder dialogue is a vital tool in helping us to develop our ways of working across the value chain.

The Tietoevry Board of Directors oversees the company's environmental, social and governance practices (ESG). The responsibility for coordinating stakeholder dialogue related to Tietoevry's material topics and long-term sustainability plan is coordinated by the Sustainability team working together with relevant functions within the company.

We engage with stakeholders through a combination of structured and ad hoc dialogues. Key stakeholders, including customers and employees, are surveyed regularly. Crucial insights are also gathered through various escalation channels. Social media plays a significant role in facilitating dialogue with both internal and external stakeholders. Additionally, we maintain continuous formal and informal conversations with suppliers, business partners, customers, investors and authorities as an integral aspect of our operations.

Tietoevry's most important stakeholders are shown in the figure to the left. These are the stakeholders who can directly and indirectly be affected by Tietoevry's operations and activities. We also recognize that vulnerable groups (such as women, people with low digital literacy, minority groups and people with disabilities) are present within the majority of our prioritized stakeholder groups. These include customers, end users, employees and other personnel, suppliers, business partners and civil-society organizations.

During 2023, as we embarked on developing our new long-term plan, several interactions with both internal and external stakeholders took place as part of our double materiality assessment (DMA). The result from the DMA is applicable from 2024 onwards and does not apply to this report.

As a next step we will further develop our stakeholder engagement approach to ensure that we fulfil the requirements set out in legislation. We aim to ensure frequent dialogue with key stakeholders and a more systematic approach to gathering input.

Materiality process

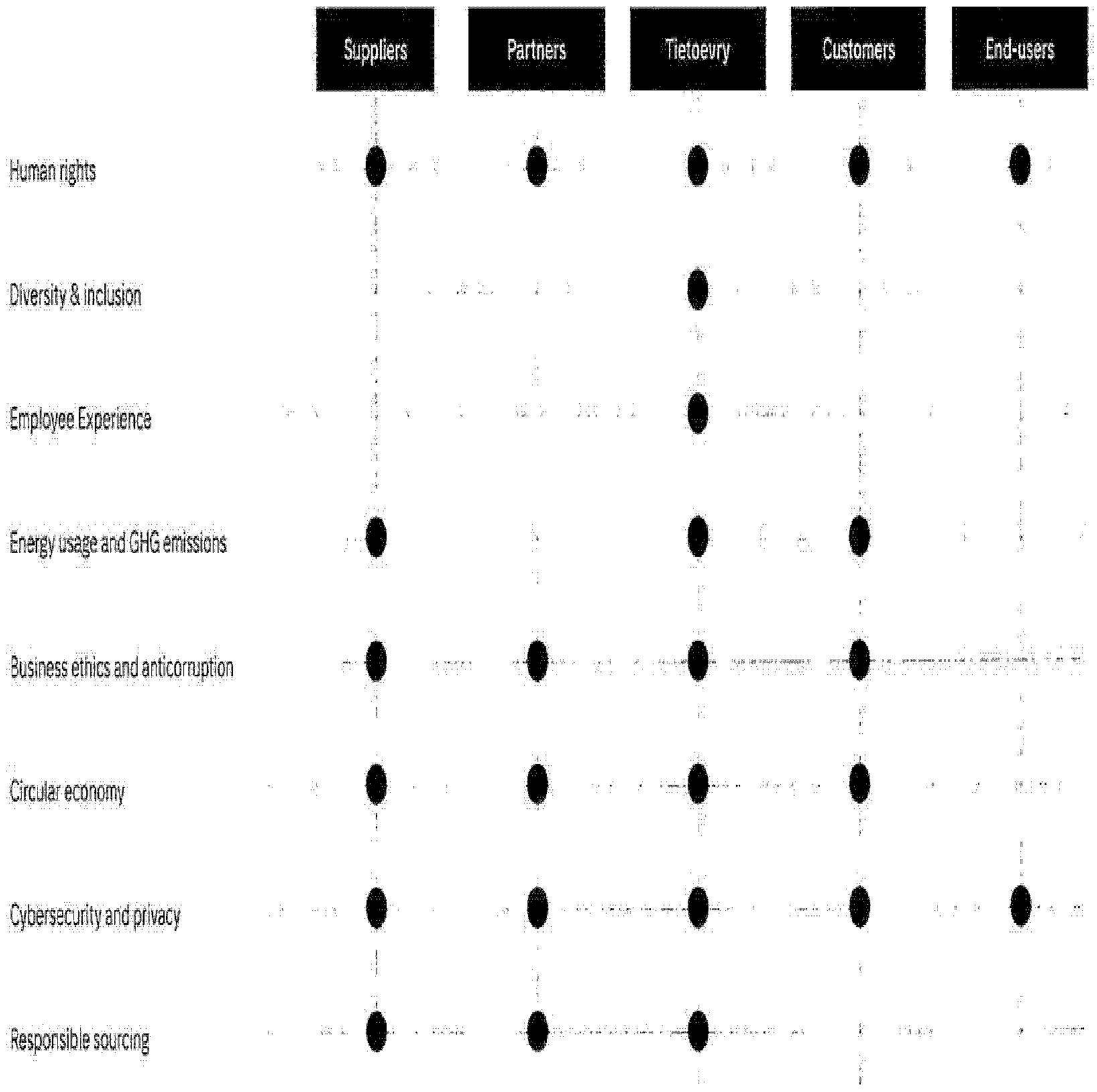
Materiality assessments forms the basis for how we identify and prioritize our most important material topics, as determined by our most significant negative and positive impacts, risks and opportunities.

In 2020 we examined stakeholders' perceptions through a survey conducted among customers, investors, employees, potential employees, suppliers and partners. We also carried out in-depth interviews with key internal and external stakeholders – including subject-matter experts, customers and investors – to gather insights for our sustainability focus areas.

Based on the materiality analysis and our vision, strategy and operations, we developed our sustainability strategy: the Tietoevry Sustainability Game Plan 2023. The materiality analysis also forms the basis of our sustainability reporting in accordance with GRI Standards.

During 2022, we reassessed our focus areas within our sustainability Game Plan, including our material topics from the perspective of impacts to the economy, the environment and people (also covering human rights). Information was gathered through both continuous monitoring across our operations and functions, and through specific actions and assessments, followed by subsequent analysis. Based on this we identified actual and potential impacts caused by, or contributed to by our activities, or which could be linked to our products, services or business relationships. Each impact was assessed based on significance and

LIST OF MATERIAL TOPICS AND TOPIC BOUNDARIES



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prioritized in relation to the other impacts, and finally evaluated against our material topics.

This effort has undergone additional refinement and expansion in 2023 as we worked on our new long-term sustainability plan. Building upon the lessons and insights gained from our double materiality assessment, we plan to enhance our process for continuously identifying and assessing both actual and potential impacts, along with refining our approach to stakeholder engagement.

The result from the double materiality assessment conducted during 2023 will be available in the report for the financial year 2024.

Impact and materiality analysis

The materiality reassessment in 2022 led to no major changes to the material topics reported, and it remains valid for 2023 as well. Additionally, the result of the DMA carried our during 2023 indicated that no major changes to the material topic is needed.

As a company we may cause impacts either through our own activities and operations, or through our business relationships. The table to the left includes our material topics, where in our value chain each material topic is of most importance, and where the impact most likely occurs.

Actual and potential negative impacts and our material topics

The materiality reassessment in 2022 identified that potential material negative impacts arising from our activities, products and services, or associations through our business relationships, are found in the following areas:

- → Energy usage, carbon emissions and waste generation (addressed in the report under Climate action):
  - Development and use of solutions requiring energy
  - Greenhouse gas emissions throughout our value chain
  - Generation and handling of waste, including electronic waste
- → Employee engagement, diversity and inclusion, and non-discrimination (addressed in the report under Exciting place to work):
  - Harassment and/or discrimination of employees and other workers
  - Psychosocial health issues among employees and other personnel due to work situation, working relations, etc.
- → Business ethics and anti-corruption, privacy and cybersecurity, and human rights (addressed in the report under Ethical conduct):
  - Anti-competitive behaviour and corruption
  - Technology misuse and improper data handling
  - Freedom of association and collective bargaining
  - Violation of end-user privacy rights and discrimination
  - Occupational health and safety throughout value chain
  - Rights of personnel in the supply chain

Actual and potential positive impacts and our material topics

The positive impacts that our activities, products and services have or could have on the affected stakeholders largely fall under the same broad areas of Climate action, Exciting place to work, and Ethical conduct. In addition, under the umbrella term of Sustainable Impact Opportunities we address the positive impacts that we can have through collaboration with our customers. The below impact areas include both those that are internal to Tietoevry, e.g. a positive impact to employees and other workers, as well as external impacts such as a positive impact to the planet, or to the realization of human rights.

→ Under Climate action:

- We can make a positive impact on the natural environment by designing solutions and providing services that reduce our customers' carbon footprint. Some examples are solutions for smart city planning, optimizing and digitalizing operational processes, intelligent transport systems, shared platforms for circularity, and efficient product-lifecycle management. For example, see the energy-management system developed for REWE here.
- We also provide solutions and services to increase customers' carbon handprint, such as avoiding emissions through smart transaction solutions in financial services and document-handling systems within the public sector. We do this by, for example, educating our employees with a carbon handprint guidebook. Read more in the section Energy Usage and Greenhouse gas emissions.

→ Within the area of Exciting place to work:

- We can have a significant impact on our employees' and other personnel's career and personal development by enabling them to develop skills and gain experience, as well as by offering career development. Read more on how we promote continuous learning and development under Keep Learning in the section Employee Experience.
- We can contribute to attracting and retaining a diverse set of talents, including under-represented groups such as women, into our company and the tech industry. One key factor for this is to create awareness around what working in the tech industry means, and what we as a company can offer in terms of concrete opportunities. During 2023 we carried out awareness activities internally and externally to support the topic. For example, we highlighted our female role models in a global internal and external awareness campaign. Read more under the section Diversity & inclusion.

→ Related to the area of Ethical conduct:

- Through our constant efforts in ensuring access to and availability of crucial services and societal functions, we indirectly enable the realization of such human rights as the right to privacy and access to healthcare education. Read more under Cybersecurity & privacy and Human Rights.
- Using AI in our solutions within document and case management serves the purpose of protecting the privacy of inhabitants and simultaneously aiming at strengthening local democracy. Read more here.
- Our solutions within the healthcare sector can also have a significant positive impact on patients' health and wellbeing. For example, harnessing generative AI to free up medical staff's time for patients can improve treatment outcomes and save costs for society. Read more here.



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RESPONSIBLE OPERATIONS

032 CLIMATE ACTION
033 Energy usage and greenhouse gas emissions
038 Tietoevry's Science Based Targets
039 CASE: Creating the supermarket of the future
041 Circular economy practices

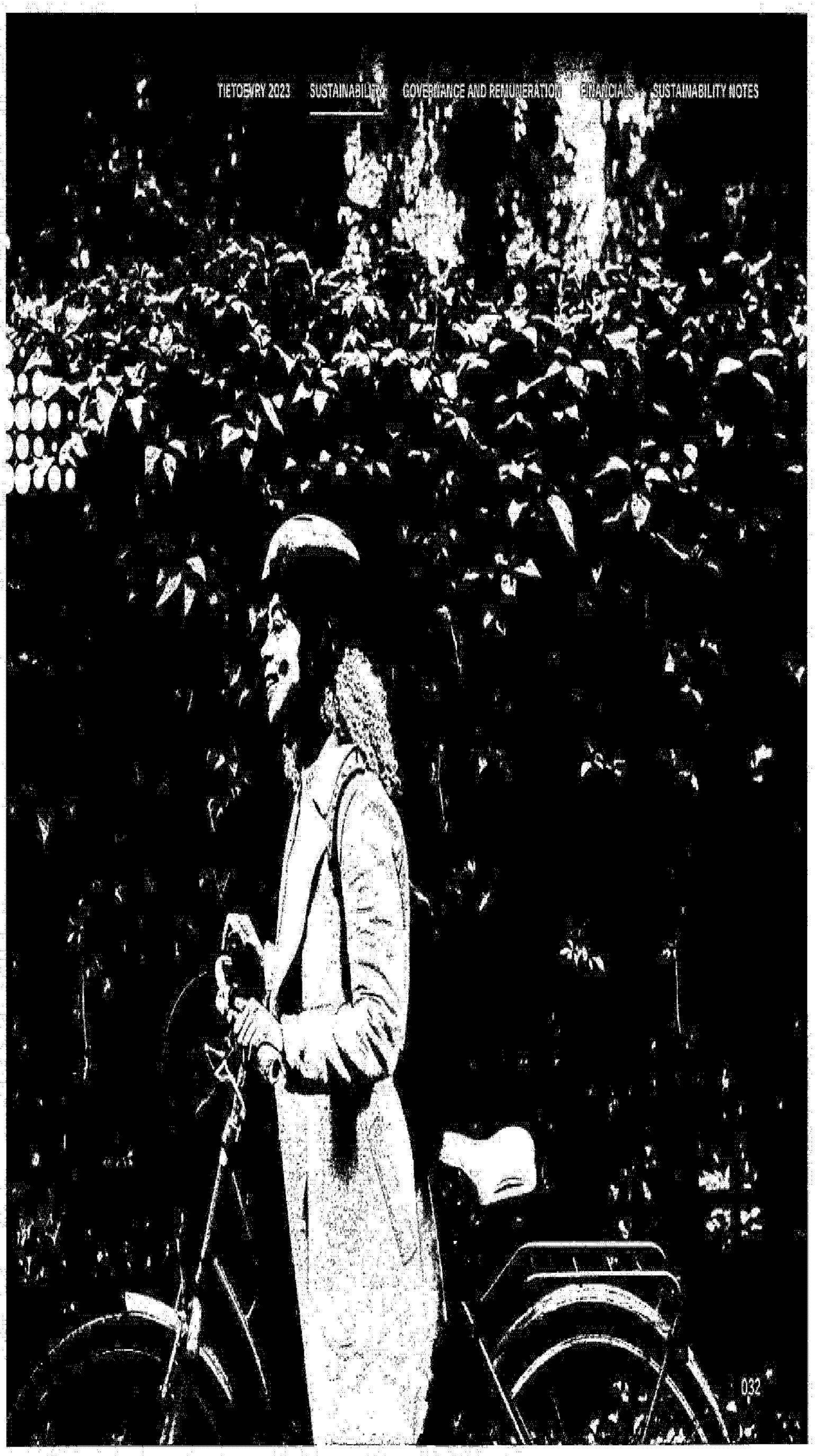
045 EXCITING PLACE TO WORK
046 Diversity and inclusion
051 Employee experience
060 Reinventing the world for good with our societal engagements
062 CASE: AI-powered healthcare: Tietoevry's mission to transform diagnosis and treatment

064 ETHICAL CONDUCT
065 Business ethics and anti-corruption
070 Cybersecurity and privacy
075 CASE: Using technology to prevent fraud
077 CASE: AI in public administration
079 Human rights
083 Responsible sourcing

CLIMATE ACTION

We can positively impact the environment by reducing carbon emissions in our own operations and value chain, as well as by carrying out our operations in a responsible way. Through the use of leading technologies and the smart use of data, we believe we can build solutions that benefit everyone – from our customers to society at large.

Circular economy practices – recycling and reusing of hardware – are crucial in our mission of becoming even more responsible in our own operations. Together with our ecosystem of partners we create purposeful technology that reinvents the world for good.



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Energy usage and greenhouse gas emissions

Climate change and the loss of biodiversity have a critical impact on how we and future generations will live. The need for efficiency has reached a critical point – it's not only about cutting costs but also about minimizing consumption to address the challenges. Companies play an important part. For us at Tietoevry, carbon neutrality is the path ahead. Reducing our carbon footprint and helping our customers and society become more efficient are key steps in achieving our goals in this area.

Our approach to environmental efficiency

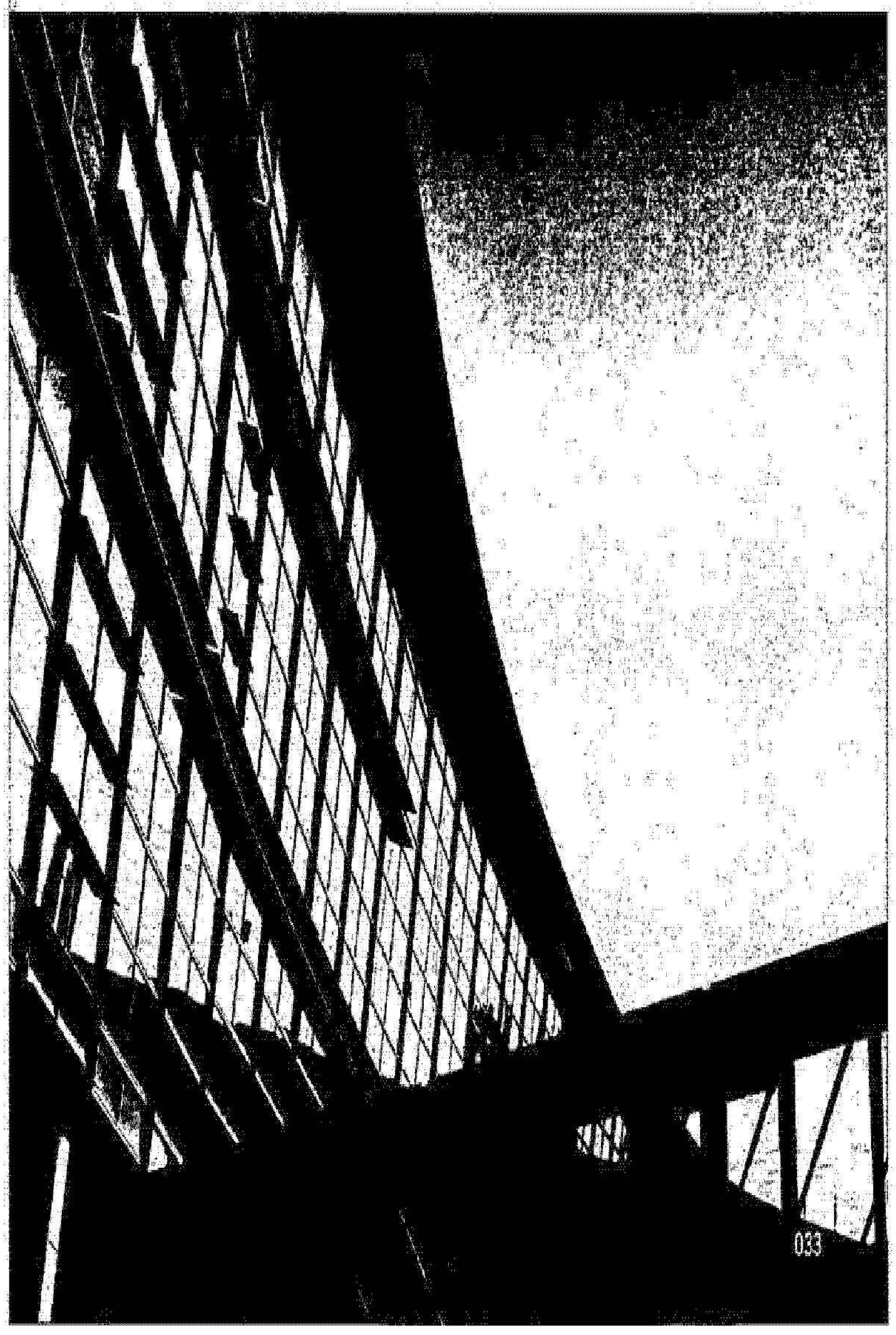
Companies are expected to step up and be accountable for their energy and material consumption. This means working actively to minimize greenhouse gas (GHG) emissions in our own operations as well as throughout the value chain. Tietoevry sees the technology industry as a facilitator in the transition to a low-carbon society. We can help our customers reduce their emissions by using our products and services.

Climate change and biodiversity are strongly interlinked. Climate change is one of the main drivers of biodiversity loss, while destruction of ecosystems undermines nature's ability to regulate greenhouse gas (GHG) emissions and increases the risk of extreme weather events.

It should be noted that some emerging technologies – such as Artificial Intelligence (AI) and blockchain – are energy intensive and potentially pose a risk towards energy efficiency. Emerging technologies can significantly increase energy usage, both when they are developed as well as when they are used. It is important that Tietoevry as a creator and user of these technologies ensures a responsible approach from the environmental perspective. We collaborate with our customers and suppliers to ensure the whole value chain makes sustainable progress together in alignment with the goals of the Paris Agreement.

PERCENTAGE OF CARBON FREE ELECTRICITY IN DATA CENTERS AND OFFICES

Target 2023, %	Result 2023, %
100	**99**





Our long-term goal is to achieve net-zero carbon emissions in our own operations by 2025, and to cut 80% of our market-based energy-related greenhouse gas emissions by 2023. We are happy to report that we have exceeded the goal by achieving 84% reduction. Additionally, by 2023 we aimed to use 100% renewable electricity in our offices and our own data centers (scope 2). During 2023, we received a 99% use of renewable electricity. This is good progress due the challenging times globally and the rising prices of available renewable energy in the market. One of our four Science based targets is to aim for 100 % renewable energy in scope 2 by 2026. All our SBT's have target year of 2026 even if we accomplish them before. Maintaining the achieved level is a must. Emissions from our co-location data centers are reported as part of our value chain emissions in scope 3. Becoming main tenants in our Espoo headquarters led to an increase in reported facility energy consumption.

In 2022, Tietoevry got its climate related targets verified by the Science Based Targets Initiative. We committed to reduce absolute scope 1 and 2 GHG emissions by 90% by 2026 from a 2020 base year. Tietoevry also committed to increase annual sourcing of renewable electricity from 80% in 2020 to 100% by 2026. Tietoevry further committed to reduce scope 3 GHG emissions from business travel by 47% per full-time employee by 2030 from a 2019 base year. For the supply chain, Tietoevry aimed to have the top 70% of its suppliers by emissions covering purchased goods and services to have science-based targets by 2026. During 2023, our result was 40% in the target scope, which is improvement from last year (34% 2022). In addition, ESG targets related to CO_2 reductions remained in the long-term incentive plans for Tietoevry leaders.

To improve energy efficiency, during 2023 we continued to optimize office spaces, conducted energy inspections, renewed electrical devices, and shared energy-saving tips with our employees. Where possible, we also encourage adjustments to building automation systems to optimize lighting in our offices based on whether a space is being used or not. In our headquarters in Espoo, Finland we became main tenants. During 2023, we relocated to a new building in Ostrava, Czech Republic. The name of the office building is Organica, reflecting its environmentally friendly use. The building has a strong focus on energy efficiency and renewable energy sources, as well as on leveraging modern tools and applications such as sensors, mobile applications and weather stations.

During 2023, Tietoevry continued the data center consolidation project that begun in 2021. In this we support modern technology and infrastructure that bring benefits such as energy efficiency. Tietoevry manages its own data centers and leases space from co-location data centers. Improving office space and data center energy usage have been focal points during the year following the energy crisis of winter 2022. Tietoevry sees an opportunity in consolidating operations to a selected number of co-located data centers with excellent energy efficiency, low carbon footprints and circular economy practices.

With this strategic choice Tietoevry can actively choose locations that both can result in reduced costs and can improve our energy efficiency and circular economy practices. The project has proceeded according to plan and is expected to continue towards 2026.

The locations of our data centers are important in enabling the circularity of the energy they produce. For example, in some locations technology allows the energy produced by the data centers to feed nearby district-heating networks to warm households. This also increases circularity in our own operations. Read more on circularity in the section on Circular economy practices.

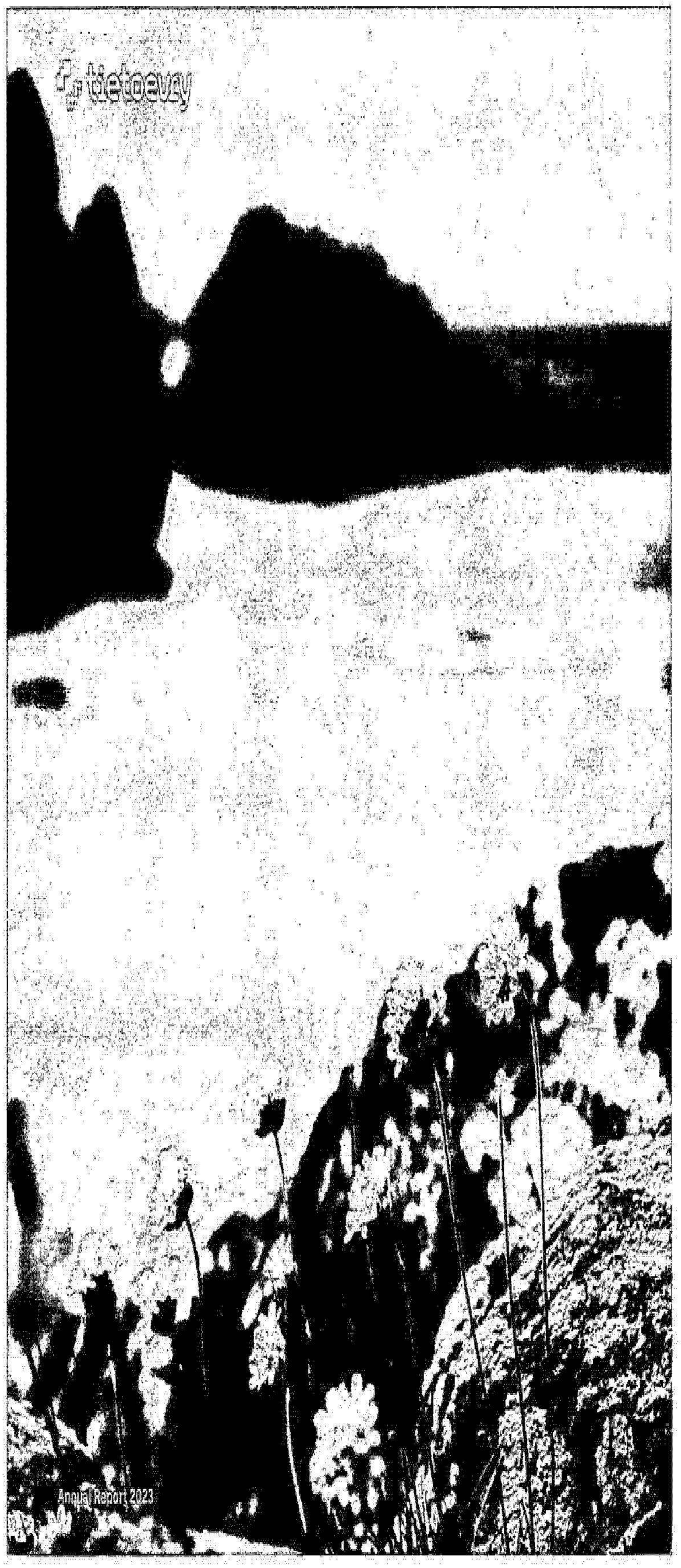
Hybrid ways of working and virtual meetings are the new norm, enabled through the use of modern conference tools. However, during 2023 our business travel increased in comparison to the pandemic years. We thus see a need to further enforce our hybrid ways of working and our Travel Rule, which recommends choosing environmentally friendly options such as train travel over flying. Our new guidelines are in place and their impact will accumulate in the coming years. In 2023, our CO_2 emissions from business travel were an average of 195 kg per employee. Our goal was to reduce the emissions by 47% by the year 2030. For 2023, emissions from business travel were reduced by 79% compared to the base year 2019, which means we have surpassed our target. The level of business travel is expected to increase in post-pandemic times. It is important that business travel reductions remain as a priority.

Supply-chain related emissions cover the whole lifecycle of products and services we purchase and deliver, as well as the emissions they create both upstream and downstream. During 2022 we recognized most relevant GHG emissions categories related to scope 3 according to the Greenhouse Gas Protocol standard. The categories were purchased goods and services, fuel and energy related activities, waste generated in operations, business travel, employee commuting, upstream leased assets and use of sold products. During 2023 we've increased our engagement with first and second tier suppliers. Read more in the section Responsible sourcing.

During the year we conducted an analysis in line with recommendations from the Task force on Climate-Related Financial Disclosure (TCFD). The outcome of the analysis illustrates how Tietoevry is impacted by climate-related risks and opportunities and how climate matters are managed in the organization's governance and strategic bodies. As a part of the TCFD report, Tietoevry has conducted a scenario analysis to better understand future potential impacts from climate-related risks and opportunities and their influence on business operations. By looking at different potential pathways for the future, Tietoevry is better equipped to handle shifts in the environment and industry in which we operate.



Tietoevry as a creator and user of new technologies ensures a responsible approach from the environmental perspective.



Environmental performance built on collaboration

During 2023, Tietoevry launched a carbon handprint guidebook to support our businesses in demonstrating the climate benefits of the products and services they create. The tools help employees to better understand the possible positive impact services or products have on the emissions of our customers, and facilitate integration of environmental benefits in the business development process. Read more about our KPI indicators related to energy consumption and GHG emissions here.

Our commitment to the environment is stated in the Environmental Rule, which outlines our dedication to reducing both direct and indirect energy consumption in our offices and data centers through the implementation of energy-efficient measures. We prioritize the selection of the use of BREEAM- or LEED-certified buildings in our locations, emphasizing their environmental sustainability. Key criteria for our choices include the overall energy efficiency of a building and the utilization of green energy sources. To ensure our environmental goals are met, all our offices and data centers operate under our global Environmental Management System (EMS), which is ISO 14001 certified.

The Global Environment Team coordinates and supports the implementation of our EMS. This team comprises Environmental Managers from various operating countries led by the global EMS manager. Our Environmental Rule has three dimensions: our own operations, the impact we have on our customers' carbon footprint, and our overall value chain. The responsibility for implementing the principles outlined in the Environmental rule, as well as related processes and actions, lies with the five end-to-end businesses. The environmental manager implements daily environmental activities in our offices.

Our data center in Stavanger, Norway has one of the most energy-efficient cooling solutions in the world, based on the use of cold water and gravity. Seawater enters a cold-water basin through the use of gravity from pipes reaching a depths of 100 metres. The water temperature is a stable eight degrees Celsius all year round. Then it enters the titanium heat exchanger before a duplicated closed loop system cools the servers. The heated water is used in a lobster farm for warming water to ensure optimal growth circumstances, as the lobster needs a temperature of 20 degrees in seawater. The pilot project represents an innovative example of a circular economy solution where the excess heat is utilized for food production and significant reduction of the total energy consumption.

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Looking ahead

We are looking at accelerating our activities from the environmental sustainability aspect. Working towards Tietoevry's next sustainability long term plan, areas such as biodiversity, circularity, net zero and reduction of emissions overall will remain in focus. Business travel is an important item in the target setting for the new plan. Tietoevry requires a "new normal" approach to business travel, against which to set reduction targets. We continue work towards reaching our Science Based Targets and also aim to go deeper and reach an absolute reduction target for scope 3. Our key actions to reduce emissions are related to the use of renewable energy and improving efficiency in our own operations and in our value chain. We see a need for sustainable and climate-resistant solutions and carefully follow the emissions status around the development and use of new technologies. Tietoevry's new long-term sustainability plan is aimed at future-proofing our operations from the environmental perspective.

Tietoevry sees climate adaptation and resilience solutions as an area with potential business opportunities. To be able to tackle change in the physical climate, companies will in the future need high-quality real-time data flows to track and monitor risks in their operations . With expertise in cloud-based solutions and our analytics capability, Tietoevry could – together with value chain partners and customers – develop cloud-based sensor-data applications for climate adaptation and resilience. Such an opportunity could be, for example, in agriculture in central Europe. Changes in weather patterns can affect future harvests drastically, so farmers could benefit from sensor data to track extreme weather conditions impacting their crops.

OUR SUSTAINABILITY AMBITIONS – TOWARDS A CARBON NEUTRAL WORLD

	Tietoevry's scope 1 and 2 emissions	Emission intensity*
Today	1,598 tCO_2	0,6 tCO_2 / MEUR

Our targets

100% Circularity Reuse and recycling of hardware – own and customer	80% reduction of CO_2 emissions in scope 1 and 2 in 2020–2023
100% use of green electricity in datacenters and offices	Net-zero in own operations by 2025

*Covering scope 1 and 2 emissions

Tietoevry's Science Based Targets

Tietoevry has been committed to the Science Based Targets initiative since 2022.

What are Science Based targets?
Science Based Targets are carbon dioxide reduction targets that are in line with independent climate science. These targets ensure a company's emissions are in line with the Paris Agreement to limit temperature increase to no more than 1,5 degrees Celsius above pre-industrial levels. The Science Based Targets initiative is a collaboration between CDP, the UN Global Compact, the World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF). Together these bodies are calling for companies to demonstrate their leadership on climate action by publicly committing to Science Based Targets for GHG reductions.

Tietoevry is committed to reduce our own carbon footprint and generated greenhouse gas emissions. We also support and help our customers and society in the journey towards carbon neutrality and circular economy. Setting Science Based Targets for reductions is important means for us to show our responsibility, commitment, and enthusiasm to accelerate more sustainable growth.

Tietoevry has committed to the following goals, as verified by the Science Based Targets initiative:

1. Absolute reduction target: Tietoevry commits to a 90% reduction of CO2 emissions in scope 1 and 2 by 2026 from the 2020 base-year.

2. Renewable energy target: Tietoevry commits to increase annual sourcing of renewable electricity from 80% in 2020 to 100% by 2026.

3. Intensity target: Tietoevry commits to reduce scope 3 business travel GHG emissions by 47% per average per full-time employee by 2030, compared with the 2019 base-year.

4. Supplier engagement target: Tietoevry commits to 70% of its significant suppliers by emissions (covering both purchased goods and services) to have Science Based Targets by 2026.

TIETOEVRY'S SCIENCE BASED TARGETS PROGRESS

			Science based target commitment year 2022	
Target	2020	2021	Results 2022	Results 2023
Absolute reduction: 90% by 2026 (baseline year 2020)	Baseline year	Data not measured	70%	84%
Renewable energy: 100% by 2026	80%	92%	95%	99%
Intensity: 47% reduction (baseline year 2019)	Data not measured	Data not measured	83%	79%
Supplier engagement 70% by 2026 (baseline year 2020)	Data not measured	Data not measured	34%	40%*

*Figure is % from the 70% scope of significant suppliers.
SBT percentage of full scope, covering 100% of our suppliers, was 29% in 2023.

CASE

Creating the supermarket of the future



Retailer REWE Austria operates more than 2,000 grocery stores across the country. When REWE wanted to create the first energy-efficient "supermarket of the future," the company looked to Tietoevry for help in using the power of data to make it happen.

To see how technology could transform supermarkets in a way that would both benefit the planet and the bottom line, REWE Austria decided to turn one store in Lower Austria into what they called "The Supermarket of the Future." The goal of this innovative project was to make the store and its operations more sustainable, while also reducing costs.

Collecting data from different sources

This meant that Tietoevry had to find a way to get data from all relevant appliances in the store, which until that point had not been linked together but had operated in so-called data silos. Gathering this data was crucial for enabling well-informed decisions regarding energy efficiency measures. It was also critical in making the maintenance of the store more efficient, explains Lukas Keller, Head of Business Development at Tietoevry in Austria.

"For example, whereas maintenance of the automatic doors would earlier be done on a set schedule – about every three months – it can now be tailored to the actual need of the store," he says. "Instead of having the maintenance be carried out every three months, it can now be done every time the doors have opened and closed a predefined number of times."

The challenge was to create a process that automatically calls in an external maintenance company when necessary, without the local team having to take action.

"It was not easy to be honest, as all the different appliances in the store had their own systems. Pulling the information together and presenting it in one common view was not as straightforward as you might think," explains Keller. "One of the challenges was that some of the appliances had data, whereas others – such as the ovens – did not. In these cases we had to install sensors to get what we needed."

Cloud-based collaboration

To help create this supermarket of the future, Tietoevry in Austria – together with Microsoft and Beckhoff Automation – developed an Internet of Things-based solution that collects data from all relevant appliances. This data is stored on an

Azure-based platform managed by Microsoft and is presented in an intuitive dashboard for the store manager.

"It was important for REWE that the dashboard should be as straightforward as possible, freeing up time for the manager to focus on running the store. So we ended up making it based on a traffic-light system," explains Keller. "The manager's dashboard covers the most relevant appliances in the store. If everything is ok, then it's green, if something needs to be done locally – and the store manager can do it him or herself – then the dashboard is orange. If it's red then maintenance partners get an automatic alert letting them know that service is needed."

Significant cost reduction

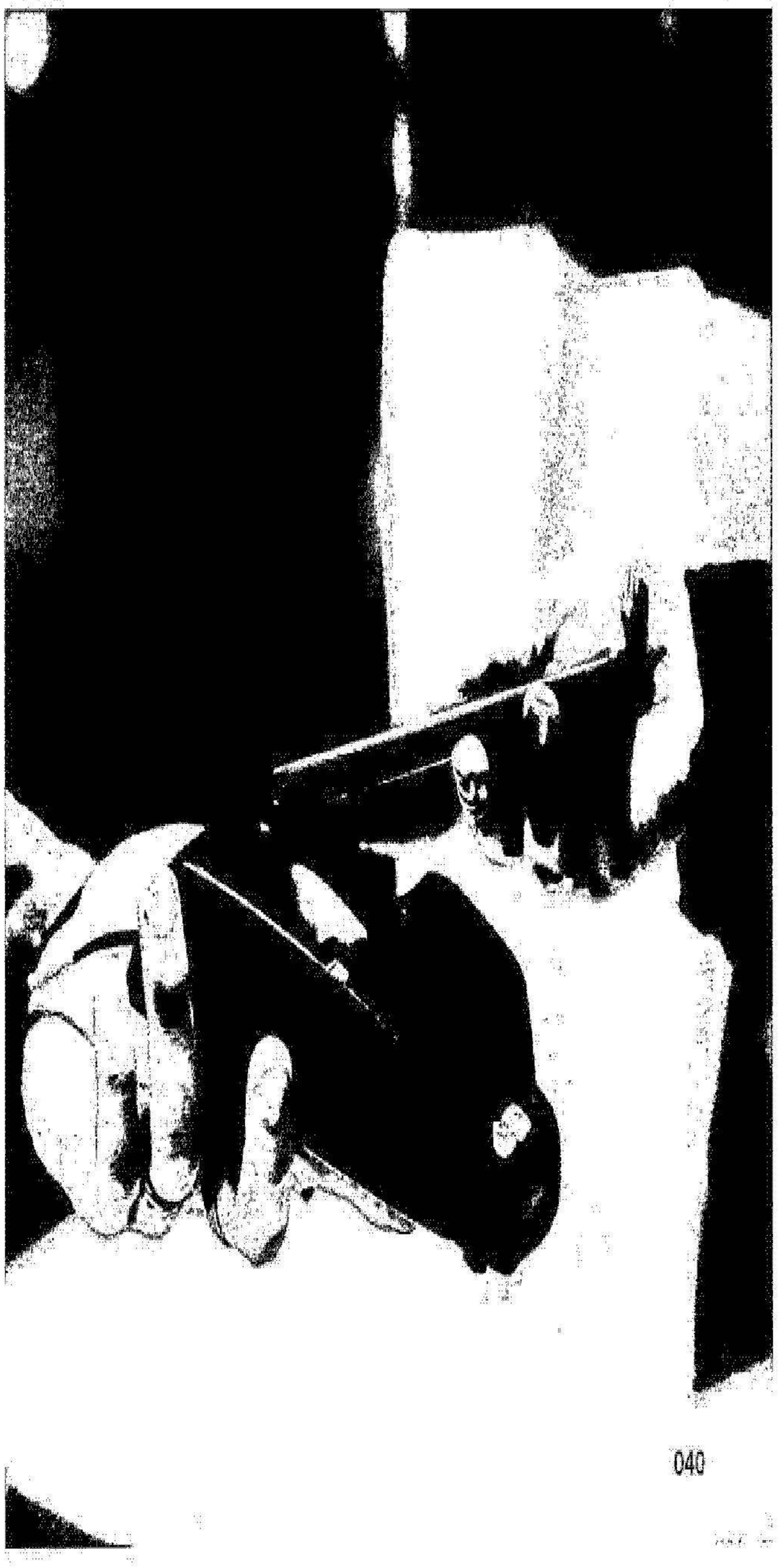
According to REWE, the new system can reduce the store's total energy and maintenance costs by up to 25%.

In 2023 this cutting-edge project was awarded the prestigious eAward in the category for "sustainability and smart data" in Austria.

"We were obviously very happy to receive the award. Our team worked tirelessly to deliver a state-of-the-art solution for our customer. This award motivates us to keep on working to use data and technology in a way that is not only good for business, but also helps move towards a more sustainable society," says Managing Director of Tietoevry Austria, Robert Kaup.

For Keller and the rest of his team, the work with REWE has brought a lot of learnings that they are eager to take into future sustainability projects.

"This has been a great learning experience for us, and a great example of what we mean by purposeful technology. Going forward, we hope to get the chance to help even more customers use the power of technology to become more sustainable," says Keller.



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Circular economy practices

As one of the largest IT companies in the Nordics, we aim to lead by example and minimize our environmental footprint. This is why we take a circular economy approach to how we run our operations.

According to the United Nations Environment Programme, the world produces as much as 50 million tonnes of e-waste each year, of which only 20% is formally recycled. This increases the consumption of resources, the emission of greenhouse gases and the release of toxic substances that may come from irresponsible waste-disposal procedures. When e-waste is not properly collected, we also lose considerable amounts of valuable secondary raw materials (for example, aluminum, copper and gold). Collecting these reduces the continuous extraction of raw materials.

The aim of a circular economy approach is to keep resources at their highest value and not produce any waste. As a responsible corporate citizen we want to keep products and materials in use, supporting the transition to a circular economy through appropriate reuse and recycling practices. Reusing and recycling hardware in a structured manner is an important step towards enabling circular economy practices, both for ourselves and our customers.

Our approach

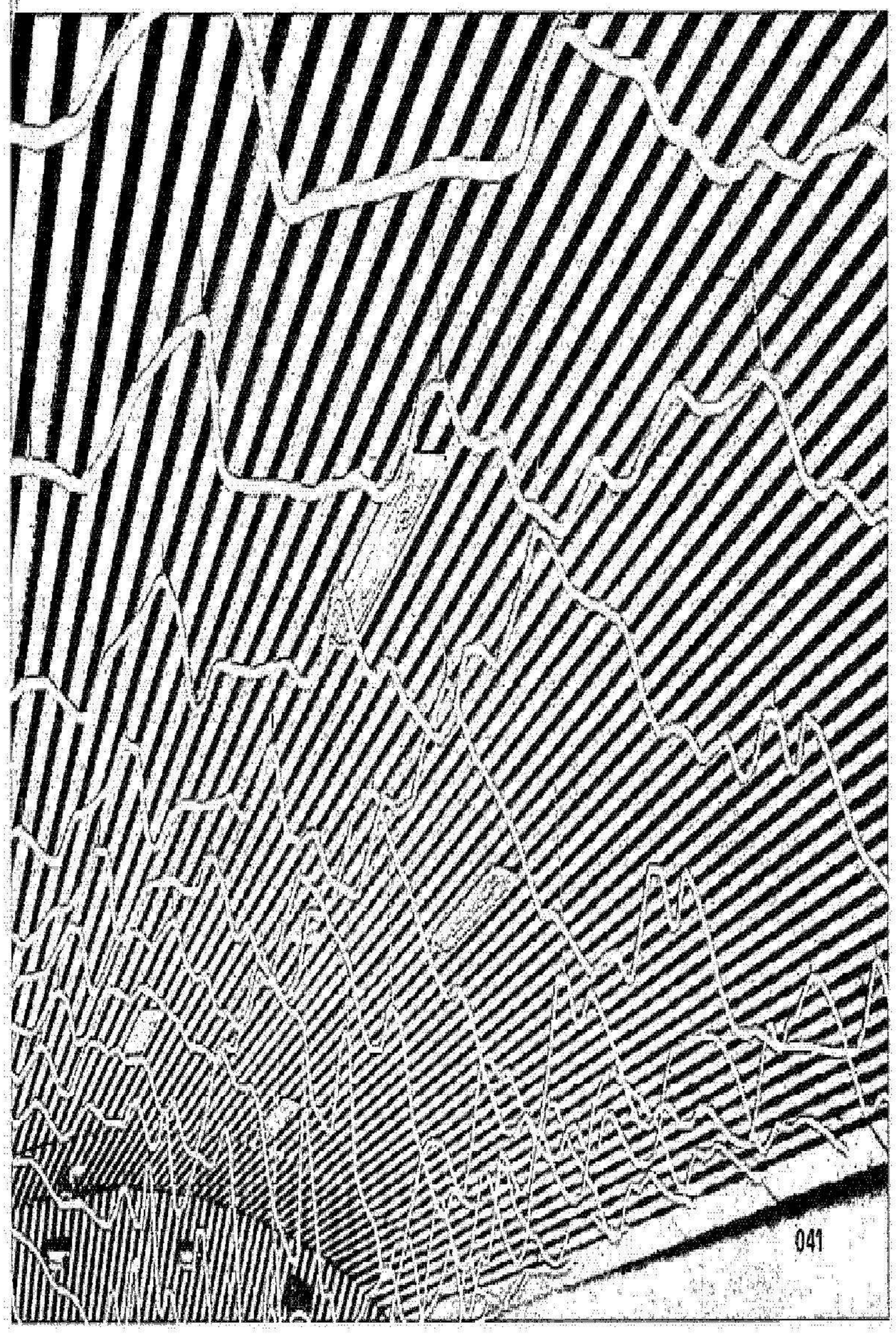
The ICT sector is very dependent on devices in which rare minerals are an important component. We therefore have a clear responsibility, both in terms of not wasting any natural resources and making sure end-of-life handling is done in the most responsible way possible. We also have an unwavering commitment to minimizing the negative environmental and social impacts of device production and logistics.

Tietoevry is responsible for a hardware fleet of various types of computers and mobile devices that we provide to our approximately 24,000 employees as personal IT equipment. Our customer-operations team also supports our customers' end users with devices such as laptops and smartphones, the volume of which is much larger than Tietoevry's own.

PERCENTAGE OF REUSED AND RECYCLED HARDWARE

Target 2023, %	Result 2023, % Internal	Result 2023, % Customer
100	93	98

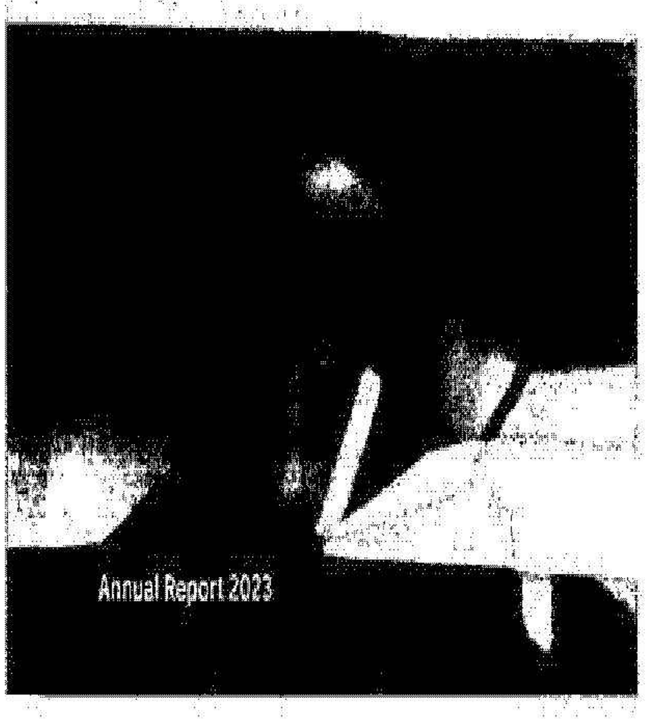
*Scope: result based on reuse of returned devices (mainly laptops).







Our aim is to minimize the negative environmental and social impacts of device production and logistics.



We strive to extend the devices' lifetime and to reuse them. At the same time, we are aware of the fact that applying circularity principles might lead to negative environmental impacts, such as in logistics and through the effects of reuse processes. Newer generations of devices are more energy efficient, so we make the comparison between used versus new devices when purchasing equipment.

To better understand the needs and usage patterns of our employees, we collect information about the devices – including purchase date, purchase price and technical specifications – and combine this with HR data. For the devices our customers source from us, we collect and make the information available to them by utilizing the Lifecycle Management (LCM) framework. This helps us to direct and recommend suitable devices for people making purchases, by taking into consideration the role of the device and limiting energy consumption, material usage and greenhouse gas emissions.

Tietoevry's procurement function purchases hardware for our employees as well as for our customers. The function is in charge of ensuring that our customers' and Tietoevry's own environmental requirements are met. This includes TCO certification – an independent sustainability certification for IT products – or Energy Star certification for hardware devices. TCO certification covers both social and environmental impacts during the entire lifecycle. All Tietoevry's hardware suppliers and service providers are required to have relevant environmental certifications in place, such as ISO 14001 or the equivalent. When we purchase IT equipment and devices, we engage regularly with hardware suppliers to understand their sustainability aspects, taking into account also the conditions of their workforce. Please read more in the sections Human Rights and Responsible Sourcing.

End-User Services also provides standardized lifecycle management services, which include end-of-life handling. This covers taking back used hardware, the secure erasing of data, the grading of hardware to determine its condition and re-sale or recycling.

To ensure that out of use equipment will be returned, we have a control system to search for missing devices. The return process requires an effective logistics operation, and in certain geographic locations, such as in India, we have a challenge finding a suitable partner for this. Hence, our return process currently covers our main European locations, but our ambition is to scale to global coverage. We are constantly working on improving our device return rates.

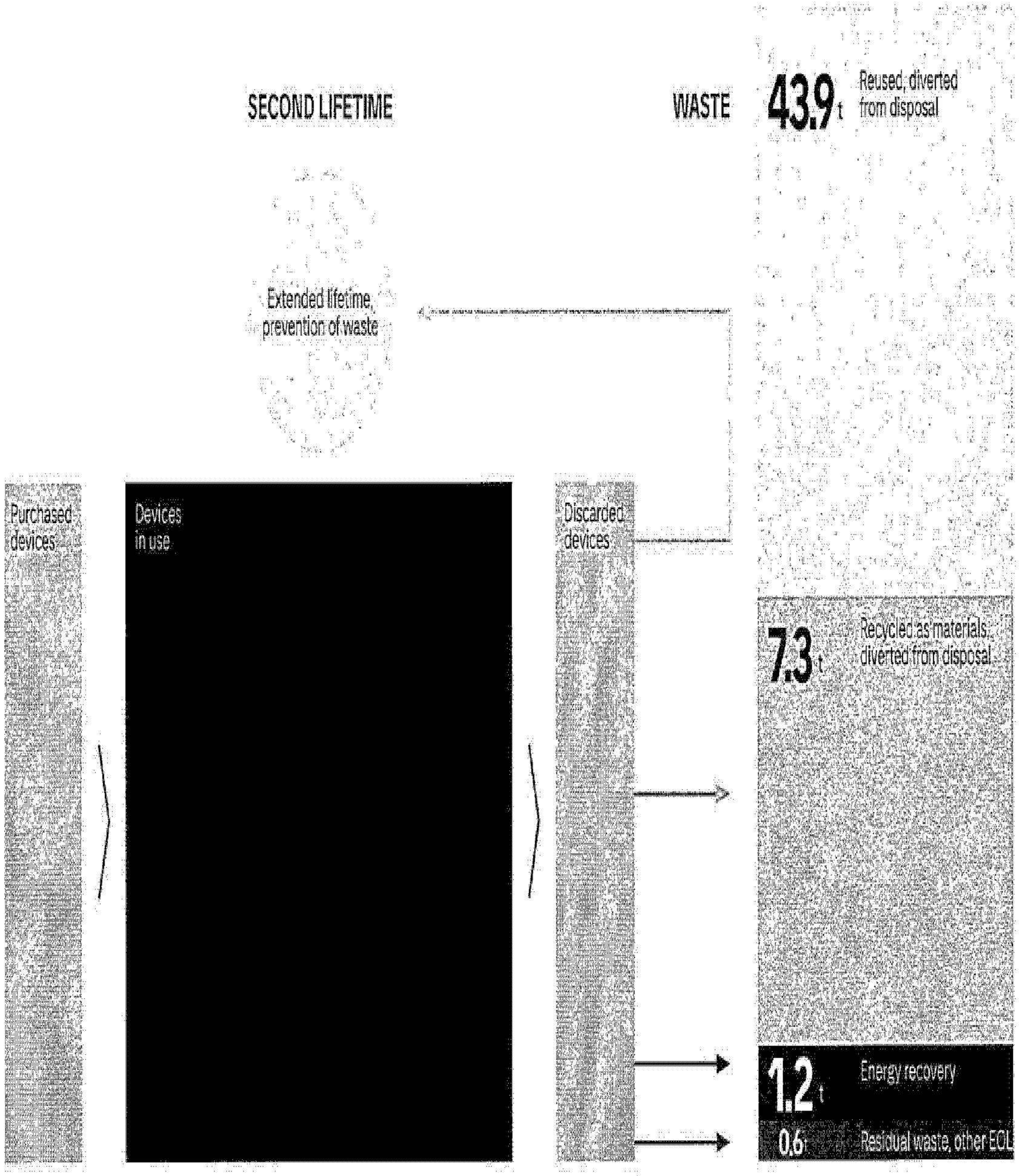
Progress in 2023

In 2023 we recycled and reused 93% of the amount of returned devices*) received in our end-of-life processing. In addition, 98% of the devices received from our customers were reused or recycled through our device lifecycle services. During the year we increased our focus on and ownership of our circular economy work by Tietoevry's five end-to-end business units. This is a result of continuous awareness-raising efforts across the company. 2023 was also the first full year in which we enforced our new mobile device policy, which requires employees to return company-owned devices. This mirrors a similar policy for laptops that was put in place in 2021. As a result, internally there were more devices returned than purchased. During 2023 we also increased our efforts to develop our reporting by growing scope coverage and business unit detail and thereby make it more robust.

To ensure sound e-waste management practices, Tietoevry has collaborated with our main device management partners to have visibility into material reuse and end-of-life treatment processing and outcomes for devices that cannot feasibly be reused. Our main material recovery partners for Tietoevry's devices achieves an average 83% recovery rate for materials for the subcategory of electronic waste that Tietoevry generates. We consider as waste the devices that are returned to the take-back system provider

*) devices measured are personal computers, laptops and mobiles

MATERIAL STREAMS



*) The figures shown in illustration concern the operations of Tietoevry Europe and our main regional partner, covering approximately 75% of the estimated total volume of laptops for internal an customer use.



for recycling and end of life processing. During 2023, Tietoevry generated 53 tons of discarded devices where 44 tons were directed for reuse and 7 tons were recovered for recycling. The remaining material was incinerated and used for energy production (1.2 tons) or disposed as residual waste (0.6 tons). This practice is performed in an environmentally-sound manner by our third-party providers. The figures used in this report concern the operations of Tietoevry in Europe, China and India and the operations of our main regional partners, which together cover approximately 80% of the estimated total volume of user devices.

Looking ahead

In 2024 we will continue our work to make our operations more sustainable. This includes working with our suppliers to further reduce our environmental footprint, taking into consideration energy efficiency, greenhouse gas emissions, waste, as well as the broader impact on society and people's health. Our efforts will be guided by our new Sustainability Plan, as well as by relevant legislation and reporting requirements, such as the EU's Corporate Sustainability Reporting Directive.

We will continue to strive to do our part to address the climate crisis by using renewable energy whenever possible. Our efforts to work with trusted partners and service providers to minimize the harm caused by our own e-waste will continue as well.

EXCITING PLACE TO WORK

We are developers of digital futures who help to create smarter and more sustainable cities, increase wellbeing for citizens and support our customers' digital transformation. Our colleagues use specific sets of skills and expertise to create technology that reinvents the world for good. Our people are the key source of our competitive advantage, hence the employee experience is a top priority for us.

Our work is steered by our values – openness, trust and diversity. To create an environment where employees can thrive as their authentic selves, we are actively making space for inclusion. A diverse set of employees also serves our diverse end users better, and allows us to create a workplace where everyone can thrive.



Diversity and inclusion

In a rapidly evolving tech landscape, our commitment to solving global challenges through technology requires a diverse, inclusive and accessible approach. Creating a culture of diversity and equal opportunity is a joint effort for all of us.

Our approach

Technology is a key enabler when solving the problems of today and tomorrow. The end users of applications and software have diverse needs, which requires a diverse representation in the building of the solutions. The shortage of technology talent amplifies the need for diverse teams. To be able to attract and retain top talent, it is imperative that we ensure current and future employees flourish with us.

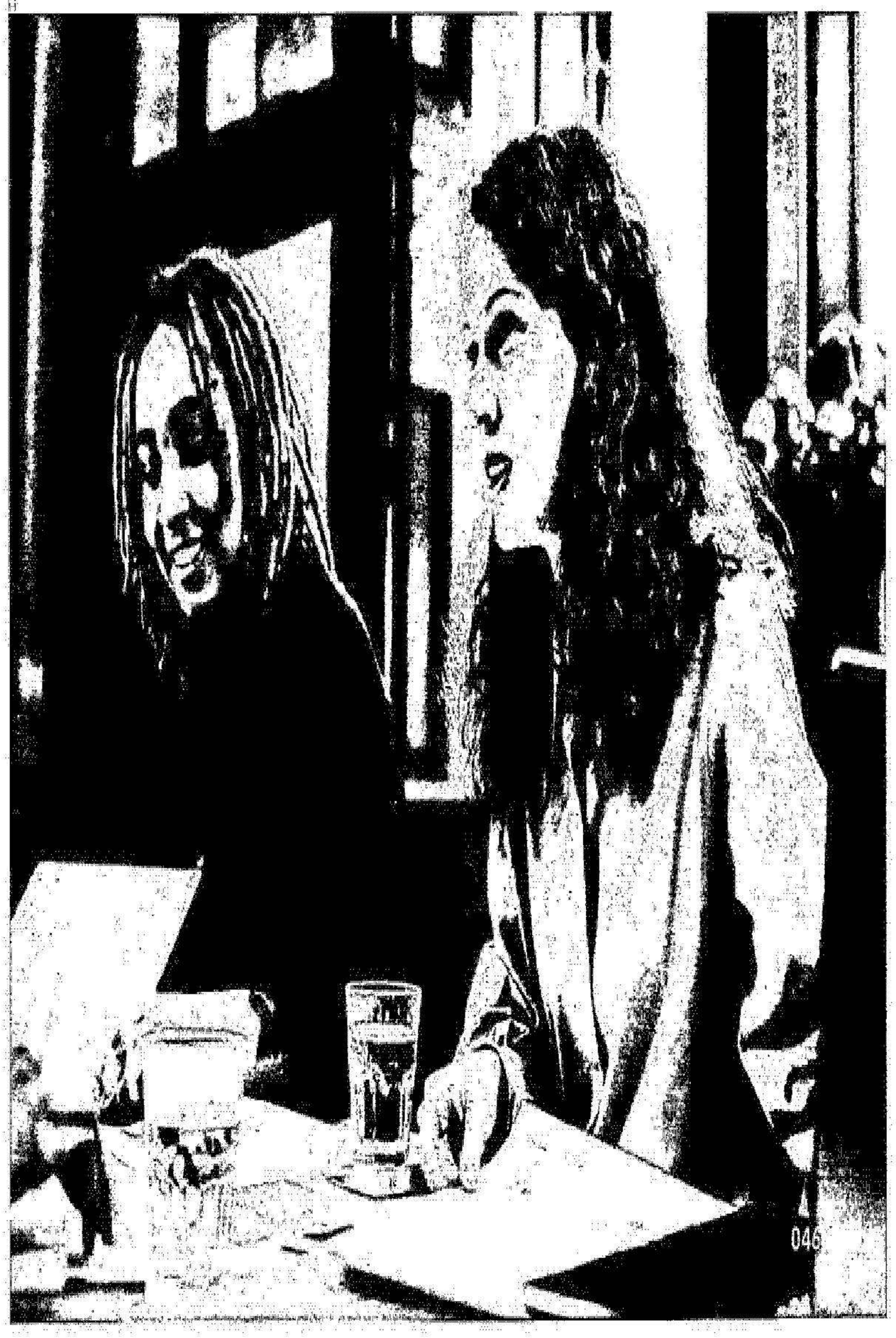
We see diversity and inclusion as a critical foundation for our future success. A gender-balanced workforce is likely to have varied perspectives and approaches that benefit our customers and the society at large. Gender diversity is correlated with profitability and value creation, as well as with employee engagement and a sense of belonging. By creating an environment with a focus on diversity and inclusion, we not only address the unique needs of the end users – we also gain a competitive edge in the talent market. Fostering a diverse and inclusive workforce is not a one-time effort, but a continuous dialogue. Our ambition is to be inclusive for all – majorities, minorities and communities. Diversity means valuing difference of opinion and having the utmost respect for everyone – regardless of sex, gender, identity, nationality, religion, belief system, race, age, disability, sexual orientation, political opinion, union membership or social or ethnic origin.

The overall responsibility for a workforce with an emphasis on diversity, equity and inclusion lies with the CEO and the Group Executive Management. Tietoevry's Code of Conduct and the Diversity and Inclusion Charter are the documents that outline our commitment to diversity and inclusion. Creating a diverse and inclusive culture is everyone's responsibility and opportunity. Each manager ensures diversity in their teams. In addition, they inform, engage and educate their team members on our policies, promoting inclusivity and minimizing biases

TOTAL SHARE OF FEMALE EMPLOYEES

Target 2026, %	Target 2030, %	Result 2023, %
40	50	31

Permanent employees (headcount)



and their impact in their workplace. Our five end-to-end businesses have the responsibility to accelerate our ambitions and ensure that our policies are being integrated into everyday practices. The businesses may also have additional diversity ambitions, targets and KPIs that suit the nature of their business.

Regular dialogue and continuous learning are the cornerstones of our culture. We require a systematic approach as a community of 24,000 professionals. Our company-wide survey OurVoice focuses on three areas aligned with our Culture Code: Achieving Together, Keep Learning, and Leadership. The MyGrowth framework and regular check-ins are our way to encourage development. Read more in the section on Employee Experience.

Attracting a diverse workforce

Diversity is a highly prioritized topic for Tietoevry Group's Talent Acquisition team, who work to ensure our diversity goals when hiring and attracting new talents. We have a bold target to increase gender balance at Tietoevry, aiming at reaching 40/60 (women/men) by 2026 and 50/50 by 2030. At any given time Tietoevry strives to have the proportion of female leaders equal to or greater than the overall share of female employees. Our ambition is also to ensure final candidates of both genders when recruiting internally and externally.

Our diversity ambitions reflect the global markets we operate in, with a mix of around 80 different nationalities and cultures represented among our employees. We support internal mobility across national and business structures, and our talent acquisition is based on a global talent pool. Our 50/50 gender-balance ambition is monitored on a regular basis across our businesses and countries. Our HR function provides the Group Executive Management (GEM) with quarterly updates on developments in various aspects of our Diversity and Inclusion Charter.

An inclusive culture, where people experience psychological safety, is a prerequisite for creating a diverse workplace. An inclusive workplace offers equal opportunities for jobs, wages, benefits, leadership and personal development, as well as access to training. Read more in the section on Employee Experience.

Progress during 2023

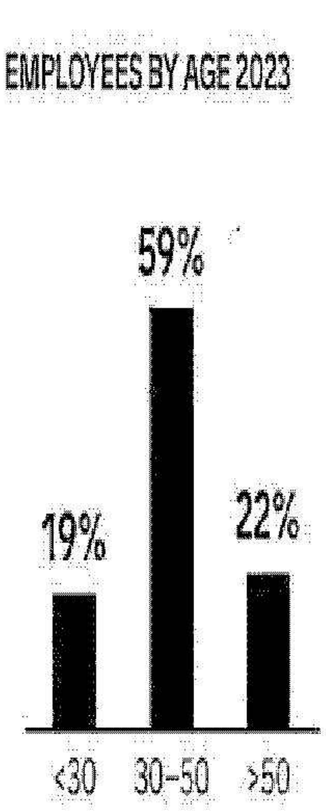
During 2023, Tietoevry continued to accelerate the activities created by the Diversity and Inclusion Taskforce in 2022. The taskforce instituted a roadmap with four themes (succession planning, incentives, monitoring and training) with sub-actions to accelerate group-wide activities within the area. During 2023, some of the sub-actions were concluded with some continuing towards 2024. The long-term incentive plans for Tietoevry leaders include a target for increasing the share of females among new recruits. Other activities set by the Diversity and Inclusion Taskforce focus on succession planning, with the aim of ensuring that

TOTAL NUMBERS OF EMPLOYEES 2023 (HEADCOUNT END OF YEAR) *

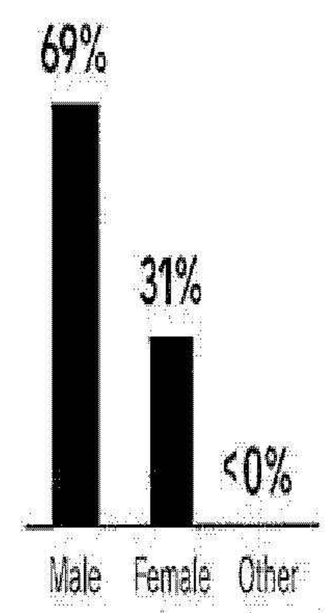
24 368

*The ~1,000 employees of MentorMate, a digital engineering company acquired by Tietoevry in July 2023, are not included in the number.

EMPLOYEES BY AGE 2023



EMPLOYEES BY GENDER 2023*



*Permanent employees (headcount)





managers have adequate visibility and support in advancing diversity as part of hiring principles. The succession plans are reported to the Group Leadership Management on a quarterly basis via the Head of HR. The implementation of the three themes is well underway, with some units standing out as good examples.

During 2023 an advisory project by our Group Internal Audit Team was conducted, with a focus on gender diversity in recruitment. The scope was all business units. The results were analyzed per business unit and related roadmaps with development actions were created. The work continues in 2024.

In addition, our five specialized businesses have continued their diversity and inclusion activities, processes and related monitoring. For example, Tietoevry Care is exploring further development to build more insights on employee engagement and diversity. Tietoevry Create launched business-wide gender-neutral guidance on how to create balanced job ads to advance a feeling of inclusion in our communication materials. Female role models and industry leaders from all our businesses have been highlighted throughout the year in internal and external channels.

At the group level a new Code of Conduct e-learning module has a special focus on diversity topics such as non-discrimination and ethics in the workplace. It was launched globally to all Tietoevry employees, with a related internal engagement session. Read more in the section Business ethics and anti-corruption.

Tietoevry has consistently adhered to our core values of openness, trust and diversity. We welcome the support provided by legislation to accelerate our diversity and equality activities in practice. The EU pay transparency directive closely relates to the upcoming Corporate Sustainability Reporting Directive, which we are currently preparing for as well. We are taking the necessary steps to ensure group-level coverage, including compensation, HR operations and processes, and guidance for our managers and internal communications. Given that we have 24 000 colleagues in diverse countries and cultures, we approach the topic holistically with support from many different functions and locations.

From the inclusion perspective, several activities were initiated to make space for inclusion in the workplace. The Tietoevry Facility specifications were updated to include guidance aimed at ensuring gender-neutral toilets available globally. In addition, the brand iconography was updated to include a gender-neutral sign for a toilet. We also launched a common inclusion sign – m/f/d: meaning male, female, diverse – to accompany our recruitment ads globally. In November 2023, Tietoevry globally acknowledged transgender awareness week for the first time to raise internal awareness on inclusion.

Increasing the share of women in the tech industry is a challenge that Tietoevry addresses at a grassroots level. To meet our goal of a 50/50 gender split by 2030, the pool of applicants needs to be more balanced in terms of gender

ratio. The "Being an IT girl" guidebook published in 2022 was distributed widely during Women's Day activities on our global and local social media sites. The guidebook is available in Finnish, Swedish, Norwegian and English, and is aimed at informing girls about the work in technology and attracting them to the field.

During 2023, Tietoevry recruited a total of 205 graduates in the Nordic graduate program, of which 66 were female. The Nordics are a selected business priority area, however, targeted efforts for junior experts were made in other locations as well. The numbers is slightly decreased from 2022 (207 graduates) due to high inflation continuing to have an impact on recruitment opportunities. In addition, there is a slight decrease in the recruitment of women through the program for the second year in a row. One reason for this might be that the share of females overall applying for highly technical roles in software development is low. In total, during the years 2017-2023 we have recruited 1,101 graduates in our Nordic graduate program, of which 36% have been women.

By the end of 2023 the share of women in senior management positions at Tietoevry was 23.6%, which is at the same as the previous year. Overall, the share of permanent female employees in the workforce remained the same compared to 2022, on 31 % (31% in 2022). The share of total females hired in 2023 was 32 %, which on the same level as compared to 2022 when 32% of new employees were female.There were challenges with the industry-wide candidate pool and shortage of female talent, which we share with other companies. We recognize a need to accelerate the area and are planning for it aligned with the Tietoevry's sustainability plan to be launched during 2024.

On 31 December 2023, Tietoevry's Group Leadership Team comprised nine men and one woman, and Tietoevry's Board of Directors comprised nine members elected by the Annual General Meeting, including six men and three women.

As an additional method to increase transparency in diversity and inclusion, Tietoevry participates in the SHE Index in Finland, Sweden and Norway. The index is a cross-industry voluntary measurement of how companies perform in terms of gender balance, gender-equality policies, and diversity and inclusion. The results were analysed internally and used for identifying further development activities.

Our commitment to diversity and inclusion can be seen in the composition of our workforce. We are proud of the 35 nationalities represented at our headquarters in Espoo, Finland. At our Stockholm office in Sweden we have 47 nationalities, and at our Fornebu office in Norway we have 51. Targeted efforts to recruit young professionals (aged 30 or younger) resulted in the onboarding of 1,265 young recruits (42.9%) of our total recruitments during 2023. At the end of the year, the average age of Tietoevry employees was 40 years.





In Finland and Sweden, Tietoevry has participated in female technology networks such as Women in Tech and the Inklusiiv forum. In Sweden and Norway, Tietoevry has held leadership training sessions aimed specially at women, to develop female leaders and to establish sustainable leadership within the company. Tietoevry India launched a Diversity and Inclusion information campaign, including a brochure to let current and future employees know of the various diversity activities in practice. Tietoevry partnered up with Pride organisations in Helsinki, Stockholm and Oslo, and celebrated Pride from June to August with internal and external awareness sessions. Internal Pre-Pride sessions with expert visits were highly regarded and shared globally to all employees. An internal grassroots initiative consisting of a team of software developers, functional analysts, HR specialists and designers have continued working as an Accessibility Team. The Accessibility team trains and educates colleagues to ensure accessibility-related knowledge sharing and support at various levels of the organization.

During 2023, 17 cases of discrimination and harassment allegations were submitted. Out of the total number, two cases of discrimination allegations and nine cases classified as harassment were submitted through our Whistleblowing Channel. In addition, six cases classified as harassment were reported through HR. Two cases in total were identified as sexual harassment. Following due investigation, 15 cases have been closed and two are still ongoing. 12 remediation plans were implemented in 2023, with eight results reviewed through an internal management review process. One remediation plan is currently being implemented and 11 incidents are no longer subject to action. There has been a decrease in reported cases during 2023 through both HR escalations and to the Whistleblowing Unit in Tietoevry. We continue our efforts to prevent such behaviour in our organization.

Looking ahead

As 2023 is the last year in our sustainability game plan 2023, we have begun work on assessing our diversity and inclusion roadmap for the upcoming years. Preparedness for the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS) will be in focus. We will also continue to promote our values of openness, trust and diversity together with a dialogue approach.

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Employee experience

Our employees and their wellbeing are our top priorities. We want to create an environment where people feel engaged and appreciated, and where they can grow and learn. We are committed to making sure our employees have a great experience working at Tietoevry.

Our approach

Employee experience is in focus for us throughout the organization, as committed and happy employees contribute to the success of our customers and our business.

Despite the tech industry facing challenges in the latter part of 2023 due to softer markets in specific business areas, the industry is still a significant provider of job opportunities. There continues to be a strong demand for skilled professionals, particularly in areas such as cybersecurity, cloud computing and Artificial Intelligence. Competition for these skills is fierce due to the continued expansion of the tech industry in Europe and the increasing adoption of new technologies across different industries. Tietoevry attracts relevant new talent through sourcing activities, but also by investing in sustainability and societal issues that matter to potential employees, as well as enhance our employer brand and reputation.

Tietoevry's Human Resources (HR) function manages our people and their performance, helping the company to deliver its corporate strategy and objectives. The function is led by the Head of HR, while the dedicated business HR leads are responsible for business-specific HR operations and agendas. The business HR leads report to the Managing Director of each business. The central Group HR governs the employee experience together with the HR network in the businesses.

A way to measure employee experience is through employee engagement – meaning employees' willingness and ability to contribute to company success. At Tietoevry, we measure employee engagement with our employee survey, OurVoice. In the survey, our people provide feedback on three areas that drive engagement: collaboration, growth opportunities and leadership. After the survey, people managers are encouraged to discuss the results with their teams

EMPLOYEE ENGAGEMENT SCORE

Target 2023, %	Result 2023, %
>75	82



and identify development initiatives. The survey results are also reported and discussed within the Tietoevry Group Executive Management team as well as the leadership teams of the businesses. By welcoming employee feedback throughout the year, OurVoice enables us to improve the employee experience at both the team and organization levels in a constantly changing environment.

In addition to the Tietoevry group dialogue tool, OurVoice, some of our businesses have other ways to track the employee experience. For example, Tietoevry Industry measures employee engagement at specific milestones throughout the first year of employment. This approach provides valuable insights into the effectiveness of the onboarding process and offers a comprehensive understanding of overall satisfaction levels, role clarity and the motivational factors for employees.

Employee relations

We support freedom of association and collective bargaining as defined in the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and as stated in our Code of Conduct. Local employment laws and practices, collective agreements and individual contract terms are followed.

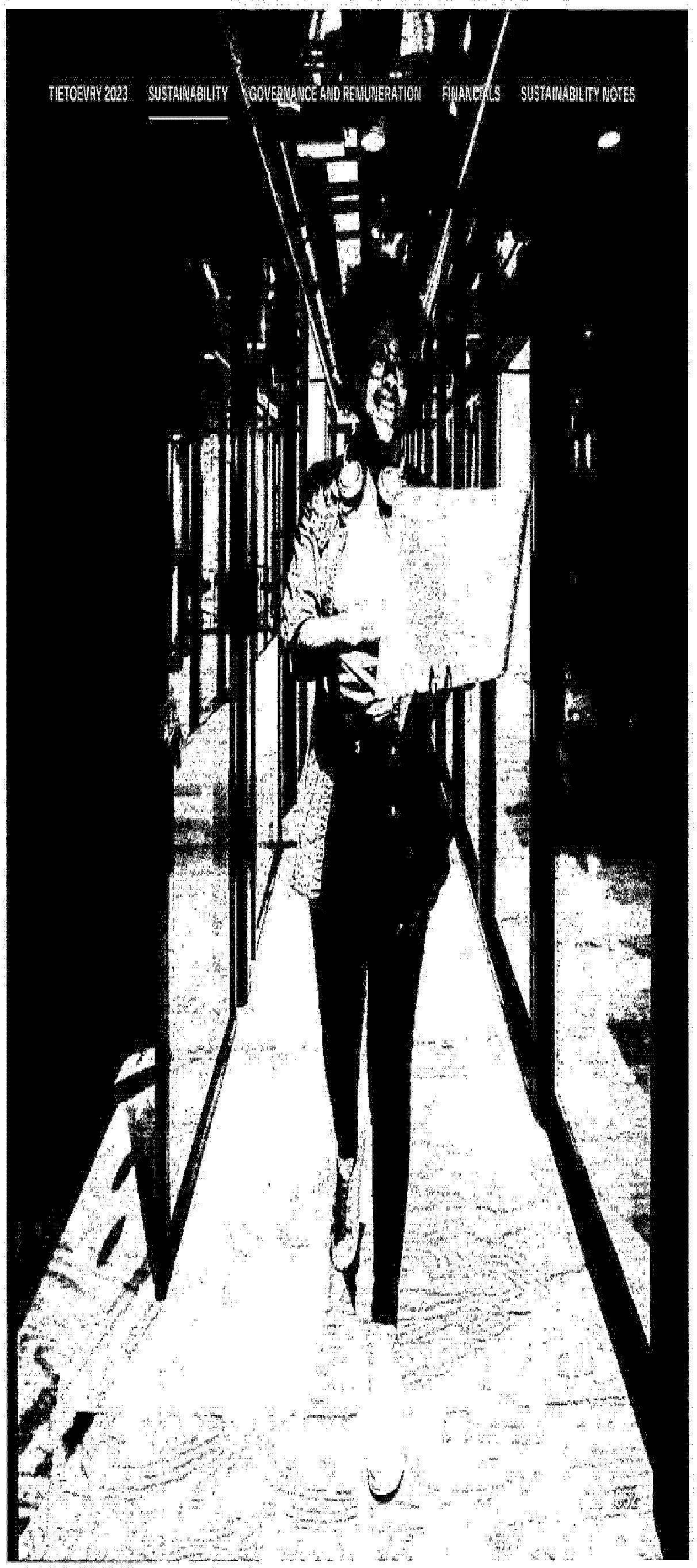
European Works Councils (EWC) are bodies representing European employees. Tietoevry's management works constructively with the employee organizations through both the EWCs and the local works councils and unions. This is to inform and consult on the business and on any significant decisions at a European level that could affect our people's employment or working conditions.

We also look to collaborate closely with personnel representation bodies. Our personnel elect members and deputy members to the company's Board of Directors. This is done by the personnel representatives in accordance with the Personnel Representation Cooperation Agreement and Nordic practices.

In the countries of operation where collective bargaining is not applied – such as China and India – we facilitate local forums where these topics can be addressed.

In China, one example of how we do this in practice is by frequently running unit- and all-employee calls where employees can openly ask questions and raise their concerns anonymously. We also invite employees in China to contribute to discussions on important operational questions via surveys and crowdsourcing, and we have representatives from China actively participating on the Advisory Board of Tietoevry Create (one of our end-to-end businesses that has employees in China).

In India, we have multiple forums that enable employees to raise their voices. These include the India Leadership Network and the Tietoevry Leadership Network, both of which have representatives from all Tietoevry businesses. Tietoevry employees also participate in iLead (an India-wide committee driving diversity and



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EMPLOYEE ENGAGEMENT



inclusion work for our India delivery centers), and in the Anti-Harassment Committee, which resolves all grievances and harassment cases reported by employees. In addition, we encourage our employees to use our company-wide tools – Ask HR and other Employee Self-service tools – for day-to-day operational queries, support and feedback.

In 2023, 43.2% of our employees were covered by collective bargaining agreements. However, the differences between countries are extensive, with the highest participation being in Sweden (92%) and in Finland (95%). For employees not covered by collective agreements, the organization determines their working conditions and terms of employment based on collective agreements that cover other employees in the organization.

As in previous years, in 2023 we mapped our operations in relation to geographical areas in which employees' rights to exercise their freedom of association or collective bargaining may be violated or be at significant risk. The majority of our operations take place in areas where the risks are low, but a large proportion of our operations are also taking place in areas where there are risks for violations or no guarantee of rights (35% of total operations). In these countries of operation – such as in China, Ukraine, Poland and Serbia – we strive to facilitate local forums where these topics can be addressed.

Keep Learning – boost learning for the future

Curiosity and lifelong learning are crucial parts of our culture and the keys to success in our dynamic industry, so developing and nurturing a learning culture is essential for us. We call this "Keep Learning." Our global processes supporting lifelong learning include the Cornerstone learning platform, our voluntary competence-based Learning Communities and different learning programs run by our five specialized businesses.

The Tietoevry Learning Communities focus on social learning, which allows people to grow together and learn from each other on topical skills such as AI, analytics and data, security, privacy and sustainability. The communities serve as arenas for people with different expertise to connect across countries and business units to learn new skills through meet-ups, webinars, demos and more. An example of a business-specific learning program is Tietoevry Banking's Banking Academy. The program enhances the professional careers and skills of employees by offering business-specific training content and enabling knowledge sharing across the business.

To further boost our learning culture and social learning, two company-wide Keep Learning weeks were organized in 2023. The purpose of the weeks is to showcase our Learning Communities and provide an array of optional technical and soft-skills virtual training sessions for all our employees globally.

The two Keep Learning weeks included a total of 60 themed sessions and involved more than 7,000 learners in the activities. This is a big increase compared to 2022, when approximately 5,200 learners were reached. More learning opportunities were organized locally in 2023. For example, in India more than 2,700 employees participated in local training sessions covering technical skills, diversity, equity and inclusion topics, as well as leadership competencies.

Our customers demand that we have the competencies to solve the challenges they face. To answer to those needs, our five businesses provide specialized learning, upskilling and reskilling programs for our experts. For example, Tietoevry Tech Services, together with our strategic partner Microsoft, has been building the largest Azure professional network in the Nordics by certifying 3,000 Microsoft Azure-cloud professionals at Tietoevry during 2021–2023. Another strategic partnership established with Google Cloud in 2023 has already resulted in more than 120 employees certifying in Google Cloud.

Onboarding is essential for building a great employee experience for new employees. The learning journey at Tietoevry starts with pre-onboarding after signing the contract, continues with virtual or face-to-face onboarding days and deepens with role and business-specific onboarding. The new joiners are supported throughout the journey by their manager and an assigned team member.

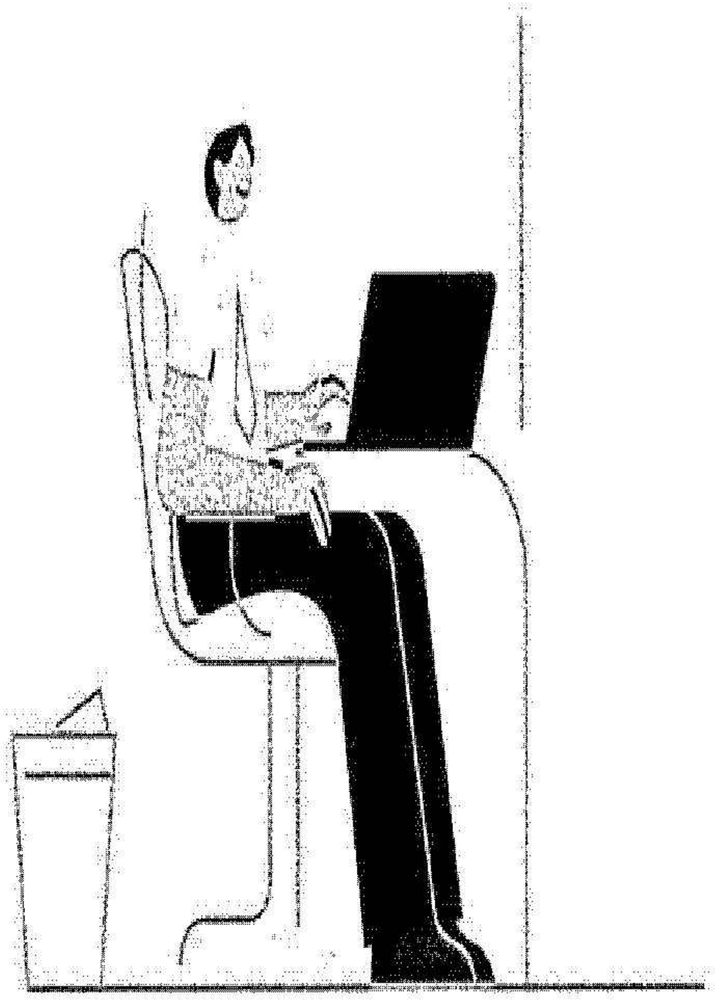
Personal and professional growth is highly valued among our employees. Growth strengthens engagement and motivation across the whole organization. Our development and performance management framework, MyGrowth, continues to support personal and professional growth through dynamic goal setting, continuous feedback and frequent development conversations with one's closest manager about wellbeing, the employee experience, challenges and achievements. Everyone should take responsibility for their development and actively invite their manager for check-in sessions throughout the year. Training needs are also discussed and agreed upon during the MyGrowth conversation. The framework ensures that our employees' needs are captured and followed up on.

We also foster learning among students and new graduates in the Nordics and in India. The Tietoevry Graduate program is an approximately 10-month long program organized in Finland, Sweden and Norway. In 2023, in addition to high volumes of young professionals recruited in Tietoevry, we hired more than 200 graduates in the three countries. The program gives our graduates the opportunity to network across the company, to learn and grow professionally on the job, and to onboard to their work at Tietoevry.



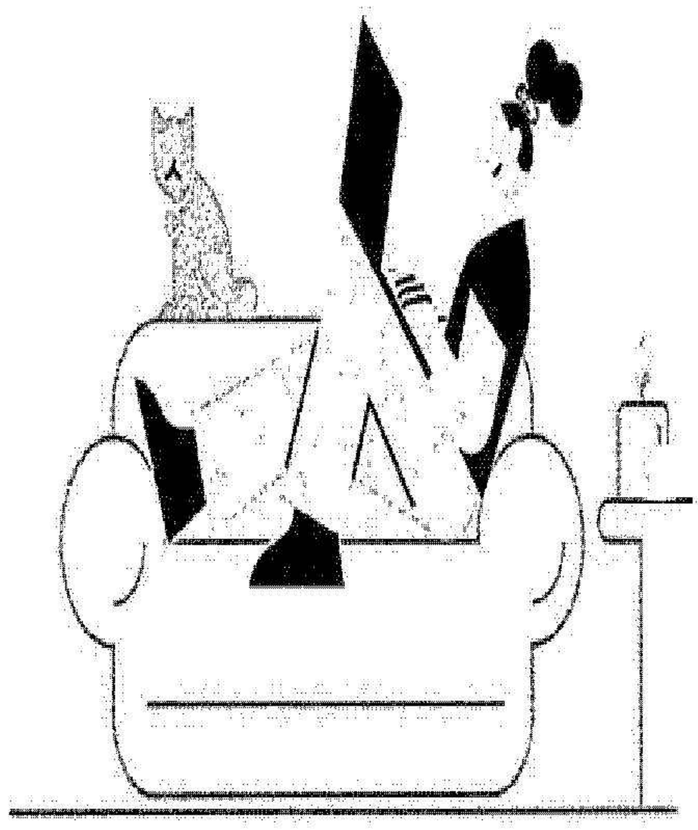
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HYBRID WORKING AT TIETOEVRY



What's in it for you?

Enhanced Employee Experience



Flexibility & well-being

Flexibility to choose where you work increases well-being.

Possibility to decide where to do tasks that require concentration and less interruptions or collaboration and brainstorming.

Digital tools

Tools to increase collaboration virtually and across geographics.

Attractive offices

More effective and holistic use of the offices for social meetups, collaboration, innovation and concentration.

Remote work

Time saved thanks to less commuting and running between meeting rooms.

Opportunity to fit the workday into your private schedule.

Learning

Developing and learning new skills, tools and new ways of collaborating.

Sense of belonging

More focus on strengthening team culture and collaboration across teams.

Trainings help us to explore new ways to engage our teams and create a sense of belonging.

Inclusion is everyone's responsibility.



Leadership aspirations

Great leaders drive engagement in all organizations. This is why we have defined aspirations for leadership and align these aspirations with our ambitions to build a great company that enables people to grow and to deliver value to our customers. Our three leadership aspirations are: Build the future, Lead performance, and Role model for values. Our leadership aspirations are further supported by defined leadership skills and expected leadership behaviours. These act as a foundation both for leadership selection and for the development activities of leaders in the company.

All new leaders at Tietoevry go through the People Manager Onboarding to support them in the day-to-day tasks of being a people manager. During the training they also have an opportunity to hear and discuss leadership with the Tietoevry CEO, Kimmo Alkio. In addition, employees who are transitioning into a leadership role or managers who want to refresh their skills as a leader can participate in an optional company-wide training, the Leadership Foundations.

Further leadership development paths are owned and currently being built by the businesses to ensure their leaders gain competences relevant to their specific industries, customers and employees. Tietoevry Care launched a Care Leadership Development Program that will run through 2023-2024 and includes several modules focusing on different future skills such as change management, financials and product management. Leadership capabilities are also strengthened locally. For example, leaders at Tietoevry India can attend quarterly training sessions on strategic areas ranging from DEI topics to project management.

Results from the OurVoice engagement survey

To continue improving employee engagement and make Tietoevry an even better place to work, we have a continuous process for measuring employee engagement, the OurVoice survey. The survey is sent to all 24,000 employees.

Our measurement for employee engagement is the Tietoevry Engagement Index, where the result in 2023 was 82/100. This is the same result as in 2022, indicating that employee engagement in the company has stabilized at a high level. The Employee Net Promotor Score (eNPS) is the in-house counterpart of the customer-focused NPS. It measures how willing employees are to recommend their workplace to friends and acquaintances. In 2023 our eNPS was 26 – with no change from the result in 2022.

In addition to the overall scores we received an average of over 5,000 individually written comments for each survey. Analyzing these with AI-driven semantics has given us further insights on areas to improve. An engagement survey only has value if it is backed up by a process that facilitates acting on the insights. Managers are therefore equipped with tools for interpreting the results, running workshops, creating involvement, and engaging with their teams remotely.

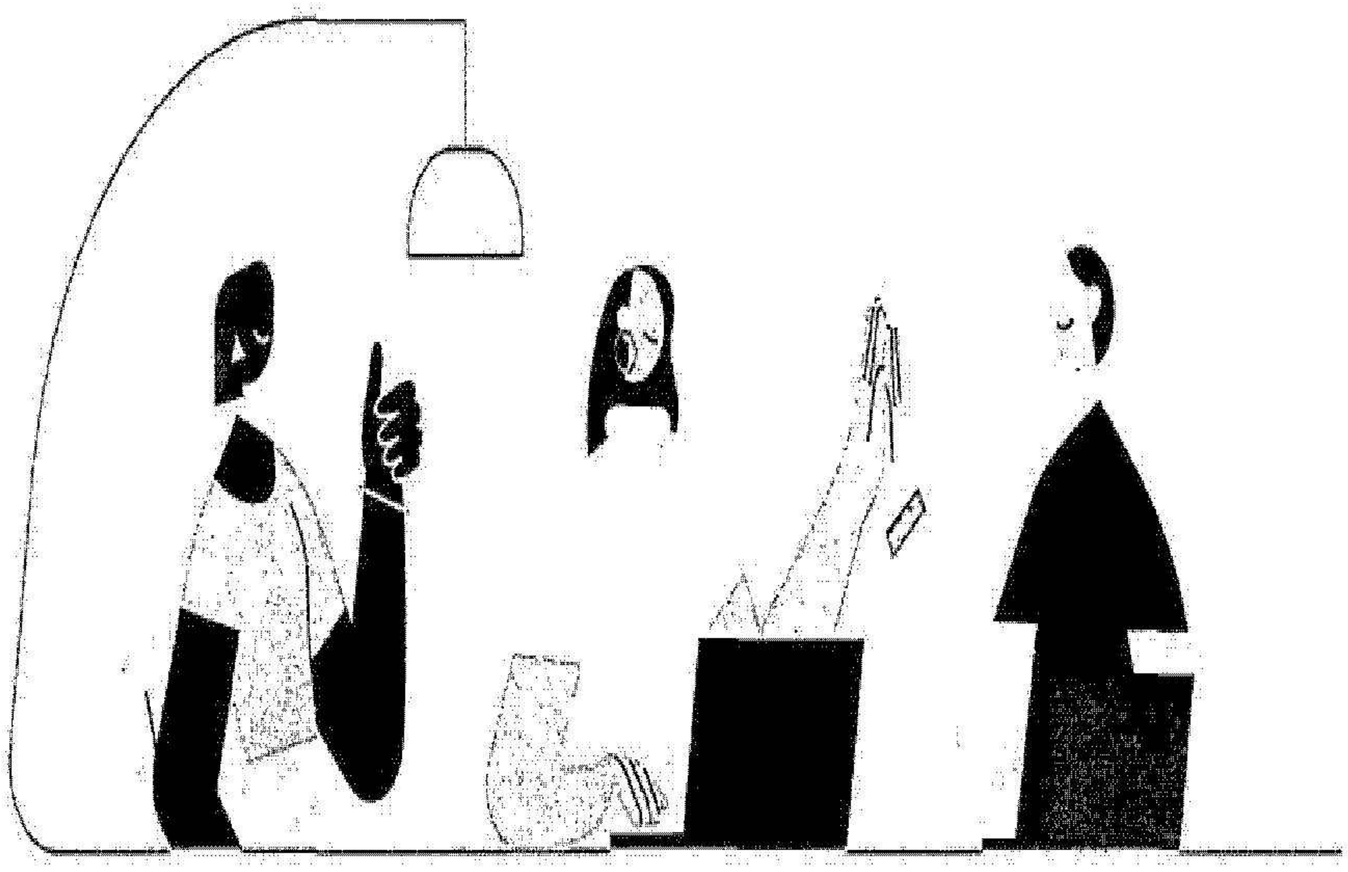
Progress in 2023

As a company, we must be flexible in responding to our employees' diverse needs. We continue to embrace hybrid ways of working – a combination of working remotely and from the office. Our hybrid ways of working are highly commended by our employees and seen as a great fit for our culture and values. The approach enables greater flexibility and less business traveling, with positive impacts on wellbeing. We welcome any long-lasting impacts on sustainability, as we also need to mitigate the effects of climate change.

Our offices offer our employees a place for collaboration and co-creation. We have seen a clear increase in people coming to offices during 2023. We also relocated to a new office in Ostrava, Czech Republic. More than 2,000 employees are now in a newly built office building called Organica, where Tietoevry is a main tenant. We have supported our remote working employees in different ways in different locations. In places where we have closed old offices we have even been able to offer our employees surplus equipment, such as electric desks, extra screens, keyboards and other office equipment that can be used to make home workspace more practical and ergonomic.

Although our five specialized businesses have defined or are in the process of defining their unique employee value propositions, our common values of openness, trust and diversity and our Culture Code continue to be at the core of Tietoevry. Our Culture Code reflects our values

THE CULTURE CODE



Customer Driven

→ We put the customer at the centre of everything we do.

→ I am passionate about understanding our customers' business and making an impact.

→ I continuously explore how we can bring value to our customers to make them succesful.

→ I take pride in creating high-quality solutions for our customers and keeping our promises.

Achieving Together

→ We purposefully collaborate to achieve the right outcomes.

→ I am proactive and take accountability for my team's goals.

→ I understand that success will only happen through the collaboration of diverse teams.

→ I always involve and inspire colleagues and customers with a passion for making a difference.

Keep Learning

→ We continuosly grow, aiming to be world class.

→ I strive to develop my skills and stay curious and relevant.

→ I actively challenge the way we work and strive for continuous development.

→ I dare to share my opinions and ideas, and learn from mistakes.

Always Genuine

→ We build trust by being good role models.

→ I am always open-minded, strive for inclusion and embrace different perspectives.

→ I have integrity and show respect and care for others.

→ I am honest and transparent ineverything I do.



as well as our strengths, what we want to be and what we need to be as an organization to be successful. Our culture and values are introduced to new employees during their onboarding, and tied to all our HR processes such as MyGrowth, OurVoice, Keep Learning, and leadership aspirations.

Technology impacts the employee experience, and as a technology company we must offer our employees modern tools to work and collaborate with. In late 2023, Tietoevry joined the Microsoft 365 Copilot Early Access Program. First-hand experience with this new AI technology has shown that AI has changed and will continue to change the way we work, helping employees to work more effectively and creatively, and focus on things that matter.

In July 2023, Tietoevry Create acquired MentorMate to support its ambition to be a leading digital engineering player globally. The company provides advanced digital engineering services, human-centred design, data and AI capabilities to customers in North America and Europe. MentorMate is headquartered in Minneapolis, USA and employs approximately 1,000 people in Bulgaria, Paraguay and the US. The company is one of the leading technology employers in Bulgaria where it has approximately 900 employees. The integration of MentorMate and Tietoevry Create has progressed smoothly during the year. The work will continue in 2024.

Looking ahead

To further develop the employee experience we must stay on the pulse of employees' needs and wishes. In 2023 we started investigating new ways to measure, analyze and leverage the employee experience. The work will continue in 2024.

We will also continue developing our five specialized businesses and their learning and development offering towards our employees and leaders, based on industry-specific capabilities and skills. We will continue to drive our core values globally and the initiatives that bring them to life through MyGrowth, learning paths, personal development and hybrid working.

Our employees, teams and leaders will continue to be responsible for having a frequent MyGrowth dialogue and making Tietoevry a great place to work for everyone, by acting according to our Culture Code and values of openness, trust and diversity.

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tietoevry

We stand with Ukraine

Tietoevry has more than 2,000 employees in Ukraine. We have been deeply concerned for them and their families. Supporting them in these challenging times continued to be be a top priority for us through 2023.

The company's response plan was activated in February 2022, focusing on securing the safety of our Ukrainian colleagues and ensuring operations and deliveries for our customers. We started our efforts to evacuate employees and their families to safer areas in Ukraine, as well as to Poland and Bulgaria, for example. We arranged hotel rooms and rental places, transportation, first aid supplies and necessities such as SIM cards, bank accounts and laptops for the employees in new locations. We also provided advance salary payments for all our employees in Ukraine and supported legal and health services based on need.

In 2023, the war in Ukraine has unfortunately continued. Our team members have shown remarkable resilience and kept our customer deliveries ongoing with no significant disruption. The work to enhance our delivery resilience is also continuous, including backups for heating, food preparation, internet and power. We also offer our employees more options to work flexibly from varying locations with sustainable home-office setups validated by the Business Continuity Team. Our main concern continues to be the safety and wellbeing of our colleagues. We continue to do our best to ensure their safety and we are ready to act fast in any changing situations.

We keep standing with Ukraine and truly hope that this war comes to an end soonest.



tietoevry

Reinventing the world for good with our societal engagements

At Tietoevry we believe we can create long-lasting value by engaging with partners that develop societies, while at the same time supporting our business strategy, values and sustainability goals.

We believe the future lies in the youth of today and that technology is shaping this future. This is why we invest in young people, and help children and youth in less fortunate circumstances in some of our operating countries to advance in their lives and avoid exclusion. We are also continuing to focus on improving digital equality in society.

In 2023 we collaborated with:

The Children and Youth Foundation in Finland

The foundation's future-oriented work aims to support every young person to have a sense of meaningfulness in their life. Tietoevry is committed to supporting and developing Futures School run by the Children and Youth Foundation.

Futures School provides Finnish secondary schools with tools and learning materials to promote future-related education. Futures School's digitial collaboration together with UPM was launched externally in March 2023 and there is more to come in 2024.

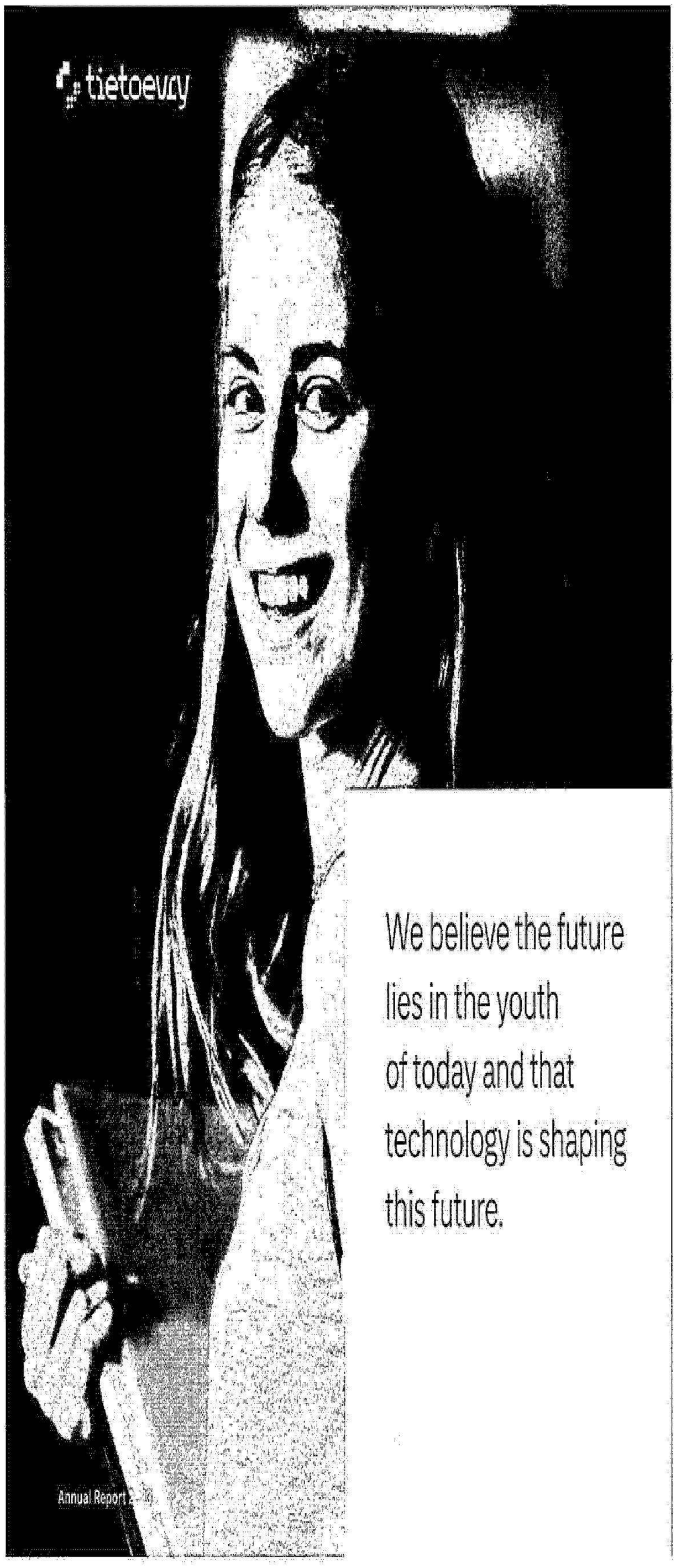
Friends

The Swedish organization Friends has a vision of achieving zero victims of bullying. Reports on children being bullied, even from an early age, are worrying. Bullying can have devastating effects that last a lifetime. To combat bullying, Tietoevry has partnered with Friends and the University of Örebro to create what appears to be the first preventive anti-bullying tool in the world. While continuing the onboarding of pilot schools in Sweden, we've started to test the data-driven prevention tool in practice – with positive results. The pilot schools find that the tool contributes to improving and speeding up their work with safety and anti-bullying measures.

We continue to focus on improving digital equality in society by strengthening digital competencies and skills among disadvantaged groups.



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We believe the future lies in the youth of today and that technology is shaping this future.

Tietoevry has also digitized the Friends Snällkalendern ('Kindness calendar'). The digital version of the popular Christmas calendar has enabled more individuals and organizations to take part in the important messages behind each door in the calendar.

Startup Refugees
Startup Refugees is a non-profit organization that supports refugees, asylum seekers and other migrants in employment, skills development and entrepreneurship in Finland. Tietoevry has collaborated with Startup Refugees for many years, with focus on the digital competencies needed when entering the Finnish labour market. In 2023 we again organized a mentoring program where Tietoevry and Telia employees acted as mentors, and were paired with mentees via Startup Refugees based on shared competences and professional interests.

Lila Poonawalla Foundation
The Lila Poonawalla Foundation in India is an educational trust with a vision of empowering Indian women. The foundation supports academically outstanding and financially challenged girls with scholarships that allow them to pursue higher education. Our long partnership with the Lila Poonawalla Foundation goes beyond financial support for the girls' education. We also engage with the foundation through employee volunteering, mentoring by leaders, providing industry exposure and supporting employment opportunities.

Identity Foundation
This charitable trust works with socio-economically challenged children in the city of Pune in India. We've supported Identity Foundation's Mobile Learning and Infotainment Center (MLIC) buses since 2007. Children can receive literacy and life-skills education in the MLIC buses, which also serve as information facilities that provide access to positive entertainment and useful information.

Yuva Parivartan
We partner with this leading NGO in India to provide skills training to underprivileged youth from low-income neighborhoods in Pune and Bengaluru. We connect them with livelihood opportunities through vocational and capacity building initiatives.

In addition, we collaborate with:

Ramakrishna Mission Ashram – This is a humanitarian organization that has established the Ashram and service centers to provide various forms of social-service activities for the welfare of Bastar tribals in Chhattisgarh, India. We contribute towards the socio-economic uplifting of the tribals and help to provide essential healthcare and education to them.

Swedish Chamber of India (SCCI) and the Finnish Chamber in India (Fincham) – To support NGOs in India in their efforts towards poverty alleviation through livelihood generation and female empowerment.

Selected partners and NGOs in Ukraine.

CASE

AI-powered healthcare: Tietoevry's mission to transform diagnosis and treatment



With healthcare systems around the world burdened by staff shortages and tightening budgets, the sector is increasingly looking to Artificial Intelligence for support. Tietoevry Care has multiple solutions under development.

A study from Finland published in early 2023* predicted that implementing Artificial Intelligence (AI) for the country's health- and social-care would save EUR 770 million each year. By allowing AI to perform laborious and time-consuming administrative tasks, thousands of doctors and nurses would be able to focus more on patient care. Through rapid processing and analysis of vast datasets, AI can accelerate disease diagnosis. When patients receive timely and correct treatment, outcomes are improved and the societal cost is lower.

Tietoevry Care has been at the forefront of AI development in healthcare for several years. Our Lifecare data platform – with its advanced analytical capabilities – is at the core of this work. The platform enables healthcare professionals and researchers to access comprehensive patient information from a single source, eliminating the need for manual searches across multiple platforms.

The era of predictive care has arrived

One of our pioneering AI initiatives is a collaboration with Helsinki University Hospital (HUS). The joint team has been developing algorithms and data-lake capabilities to expedite the diagnosis of three groups of rare diseases that are notoriously difficult to diagnose.

The potential of the research project has been bolstered by a legal change in Finland from January 2024. Medical professionals will now be able to proactively contact citizens whom AI algorithms have identified as having a disease risk.

"The results from the HUS research have been so promising that we are now starting with clinical validation. Our goal is to continue advancing our predictive models and productize the solution," says Niina Siipola, Head of AI and Data Solutions at Tietoevry. "We're also exploring opportunities outside of Finland, utilizing patient data from other systems. The possibilities ahead are very exciting."

Another key focus area for Tietoevry Care is around the use of Generative AI, where new data is created based on patterns learned from existing data. Generative AI can quickly read extensive medical records or literature to create an answer to a clinical query.

"Large Language Models took huge steps forward in 2023. But they are still not mature enough for clinical use cases, so we have started by using them with non-sensitive data," says Siipola.

The case in question is at HUS Children's Hospital, where Tietoevry used Generative AI principles to process 1,300 documents into a treatment-guidelines search tool. Healthcare professionals can query the tool and be served up a summary of the information they need.

The solution leverages Tietoevry's data lake – based on the Microsoft Azure cloud – while ChatGPT 4.0 Turbo summarizes the documents and provides direct links to the source material. The approach streamlines the information-retrieval process for caregivers, who previously needed to input precise keywords into a conventional search tool and then sort through the results.

Artificial Intelligence deciphers doctors' notes

In another product development team, Tietoevry Care has been using Natural Language Processing (NLP) to retrieve information from patient records.

The work enables healthcare professionals to search for commonalities within a specific patient's clinical notes. As these notes are written by multiple doctors – often over a period of many decades – there may be inconsistencies in the use of terminology. NLP resolves these.

"In the Finnish language, for example, there are many different ways to say that a patient has a history of smoking. We've trained the NLP model to find all these terms within a patient's records," explains Siipola. "The language model we built for smoking was ready at the end of 2023. Now we're creating models for alcohol consumption, narcotics usage and prescription medication."

The NLP project is also helping to provide new data sets for the Tietoevry data lake. By structuring clinical knowledge, AI is a useful tool in identifying trends and creating reports on specific health topics.

"We're constantly looking for new AI use cases in healthcare, so we encourage our customers to come forward with ideas. I would love to see us developing even more prediction models, as these enable people to get the right care at the right time," concludes Siipola.

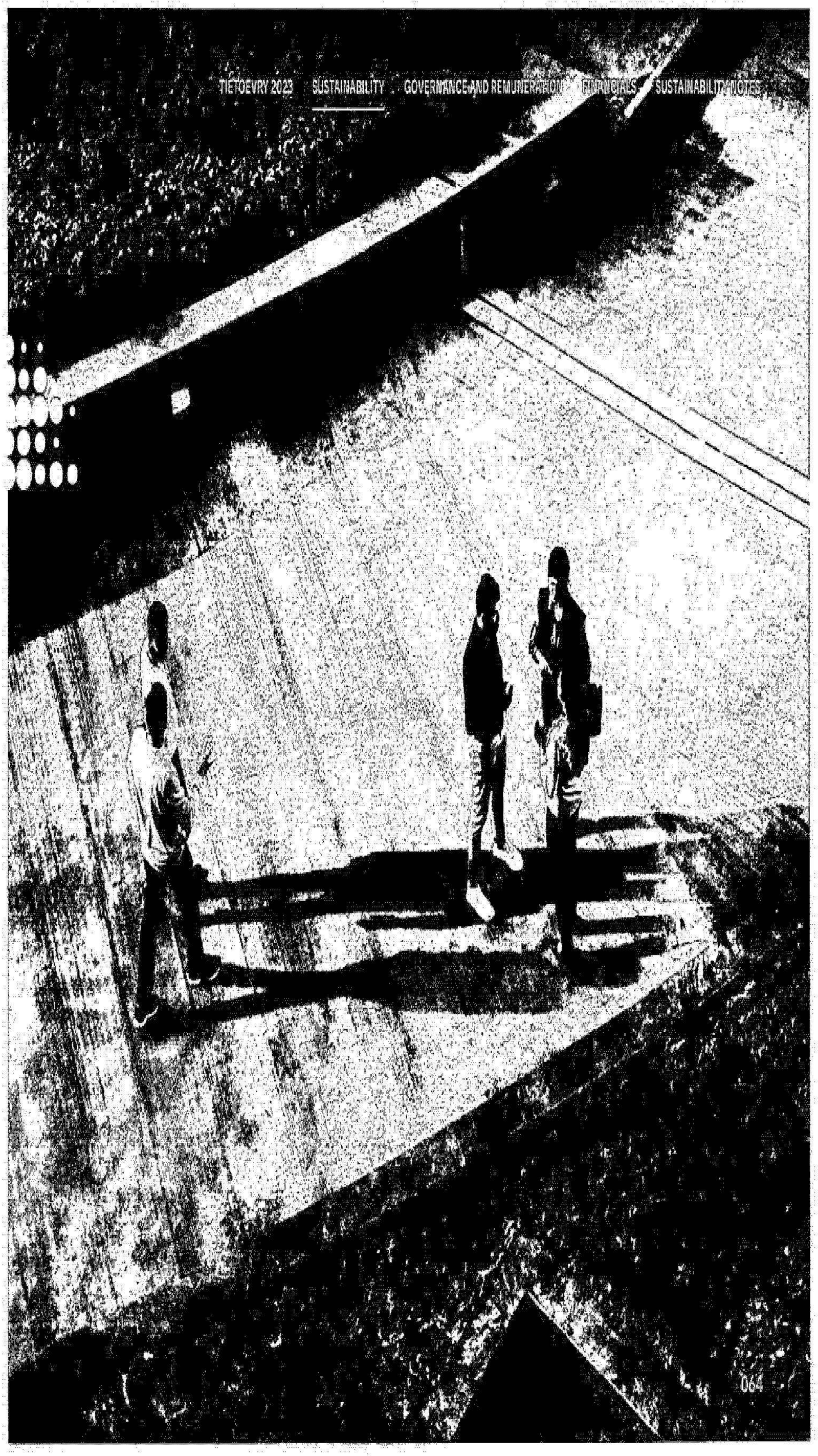
* A. Larsio. Datasta voimaa sote-järjestelmään. Sitra, May 2023



ETHICAL CONDUCT

In a time where technology makes societies thrive and businesses run, ethical considerations are more important than ever. Fostering ethical values and work practices is vital in our responsibility to employees, customers and all other stakeholders. Implementing and maintaining responsible business practices across our operations is how we build and maintain trust.

We're moving towards a world that runs on technology and is fueled by hyperconnected data – regardless of industry, geography or function. When utilizing the data from individuals and organizations, privacy and security considerations grow increasingly important and a strong ethical foundation is required. We actively develop our own ways of working in a transparent manner, and also take part in societal forums for an impact that is more far-reaching.



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Business ethics and anti-corruption

At Tietoevry, upholding ethical business conduct is a cornerstone. We have zero tolerance for any unethical behaviour and therefore it is vital to implement and continuously monitor our ethical guidelines and work practices globally. Our ethical guidelines outlined in our Code of Conduct, along with the local legislation we adhere to in our operating countries, apply to all our employees and subcontractors.

How we work

Several policies govern the area of business ethics and anti-corruption at Tietoevry. The key policies are the Tietoevry Code of Conduct, the Supplier Code of Conduct and the Whistleblowing Rule, as well as the Anti-Corruption Rule and the Competition Rule. Our business-ethics activities are supervised by the Audit and Risk Committee (ARC) of the Board of Directors, together with the Whistleblowing Unit within our Group Legal and Compliance, and our Sustainability Steering Group. The Whistleblowing Unit consists of the Group Compliance Officer, Designated Points of Contact in our major countries of operation and the Escalation Committee. The latter is a function that makes decisions related to whistleblowing notifications of a severe or sensitive character.

The Committee comprises the Group Compliance Officer, the Head of Corporate Governance and Compliance, the Head of Legal, the Head of Internal Audit and the Head of HR. The work is driven in close cooperation with our Risk Management and Internal Audit teams.

The Group Compliance Officer is responsible for maintaining the Whistleblowing Channel and coordinating investigations, as well ensuring the effectiveness and functionality of the governance model for compliance work.

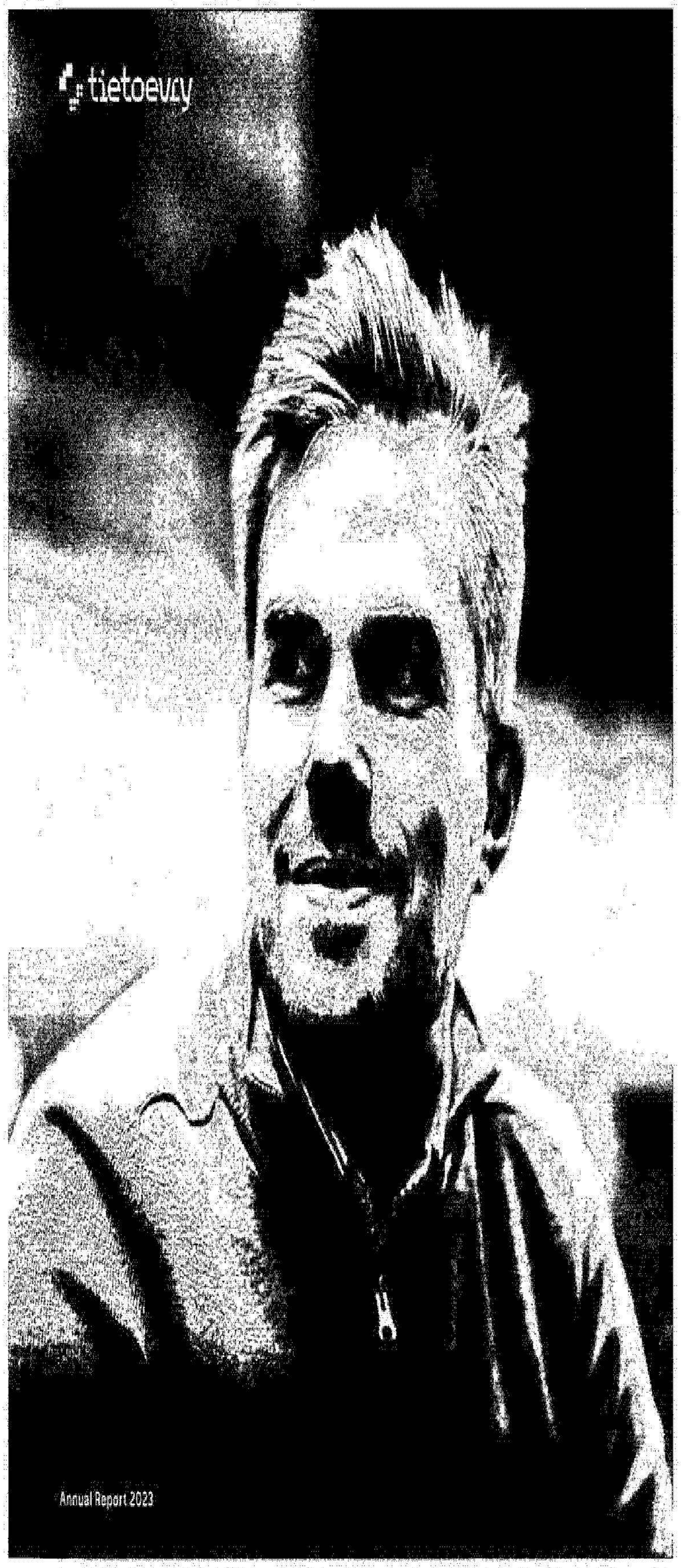
Business ethics and anti-corruption risk are managed within Tietoevry's enterprise-wide risk management.The risk-management framework comprises the risk management organization and related policies, rules, processes, tools and common ways of working. The risk management organization develops and maintains the company's risk management framework, including risk reporting, risk management governance and follow-up of risk exposures comprising strategic, financial, operational, compliance and ESG-risks.

During 2023, efforts to improve the corporate risk management framework have continued.

COMPLETION OF CODE OF CONDUCT E-LEARNING

Target 2023, %	Result 2023, %
90	**96**





For example, the risk matrix has been improved to ensure that ESG factors each have their own impact scales. This facilitates the assessment of ESG-related risks. During 2024, awareness raising activities are planned to ensure that the updated risk-management framework is being properly used to better allow for the company to capture ESG-related risks. Risk management as well as major risks are described in detail in the non-financial information in the Financial Review.

The Group Legal and Compliance team develops the policies governing business ethics and anti-corruption. This means providing updates and suggesting continuous improvements, as well as ensuring awareness on the policies through training and communication. Group Sustainability governs the Code of Conduct. The Group Legal and Compliance team also follows up on concerns and questions raised through The Tietoevry Whistleblowing channel and other methods of escalation. The Audit and Risk Committee of the Board of Directors receives a bi-annual report on our compliance work, as well as on the number and topics of whistleblowing cases processed by the Whistleblowing Unit during the previous six months. The Audit and Risk Committee is immediately informed in the event of any material compliance incidents occurring.

The occurrence of compliance incidents remains a key focus for Tietoevry. Corruption risks are managed on an overall level through Tietoevry's Group risk framework but also integrated in each end-to-end business responsibility. Tietoevry's Internal Audit has reviewed Tietoevry Group level internal control system related to Anti-Bribery-Corruption, which is applicable to all Tietoevry's operations. The operations were assessed, and an anti-corruption audit was conducted in the riskiest countries. The audit covered four operating units and 16% of our businesses as measured by headcount. No significant risks were identified through the audit. Tietoevry Group Internal Audit concluded that preventive and detective elements of an effective Anti-Bribery-Corruption framework were to large extent in place at the subsidiaries in scope.

In addition to the GRI Standards disclosures, we monitor an additional objective: responding to whistleblowing notifications within four business days. This objective has been successfully met for the second consecutive year, showing a commitment to timely and effective management of all whistleblowing notifications. It also serves as an indicator of swift communication with the whistleblower regarding the status of the reported case.

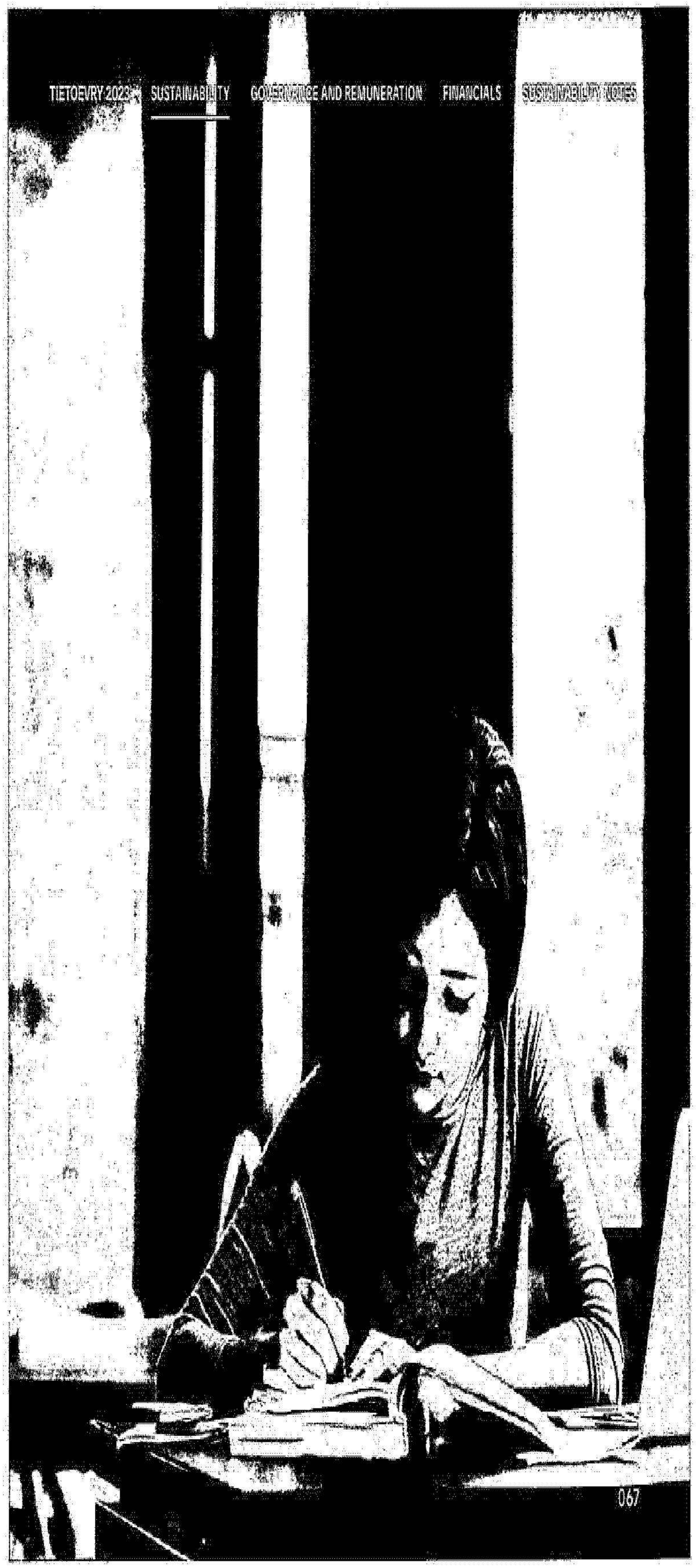
Our whistleblowing channel is structured to facilitate anonymous and confidential reporting to the Whistleblowing Unit. It provides a channel for individuals to report violations of the Code of Conduct and related rules, or any suspected unethical behaviour. Our process is designed to safeguard individuals reporting violations, assuring them of protection against any form of retaliation. The Code of Conduct is central to our ethical framework, and any failure to comply with its principles will result in appropriate disciplinary actions. To identify and assess the

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risks of unethical behaviour, our Group Internal Audit function conducts audits to assess the effectiveness of governance, risk management and compliance controls. The aim is to ensure the company complies with relevant laws and regulations in all our operations, as well as with internal policies and rules. The Group Internal Audit function reports audit conclusions with auditor opinions to the Audit and Risk Committee. The audit plan is reviewed quarterly in the Audit and Risk Committee, where adjustments may be made based on changes in the risk landscape. During 2023 an audit was conducted that placed special emphasis on diversity and inclusion. The results are followed up on at group level and in businesses, with some actions continuing into 2024. Read more in the section Diversity and Inclusion.

During 2023 efforts to improve the corporate risk management framework have continued. For example, the risk matrix has been improved to ensure that ESG factors each have their own impact scales, facilitating the assessment of ESG-related risks. During 2024 awareness raising activities are planned to ensure that the updated risk management framework is being properly used to better allow for the company to capture ESG-related risks.

We strive for all employees to know our Code of Conduct and proactively foster an ethical culture across our operations. In addition to accepting the Code of Conduct when joining the company, employees are expected to refresh their knowledge of the content of the Code every year by taking the Code of Conduct e-learning course. Our Human Resources function and the Group Compliance Officer further support employees in acting in accordance with our Code of Conduct throughout the employee lifecycle. This is done through awareness sessions that are organized during onboarding, for example, as well as through role-based training sessions when becoming a manager.



INCOME TAX PAYABLE, EUR MILLION

	2020	2021	2022	2023
Finland	12.0	17.1	15.7	3.0
Sweden	0.4	17.4	13.9	11.4
Norway	2.6	1.2	0.8	5.7
Czech Republic	1.4	1.7	2.7	3.2
India	2.9	5.9	3.3	4.6
Ukraine	3.3	2.5	3.9	2.4
Other	4.8	9.1	8.1	7.0
Total	27.4	54.9	48.4	37.4

Tietoevry Tax Principles

We are committed to operating in a responsible way and to complying with ethically acceptable principles in all our activities. Tietoevry operates in accordance with an approved Tax Policy, with the objective of ensuring uniform management of taxation for all Tietoevry Group entities.

The principle of legality must always be respected by all Tietoevry Group entities, and our firm aim is to fully comply with all local tax legislation and other regulations in all jurisdictions. This means that we fulfil all our reporting requirements and pay all legally imposed direct, indirect and other taxes in those countries where Tietoevry has operations. Our general objective is to avoid uncertain tax positions and retroactive changes. In case of uncertainty, all tax positions taken should be supportable. Furthermore, we shall always operate in full co-operation with the authorities and aim to disclose all information that is needed for determining tax consequences. Tietoevry Oyj has been in a co-operative compliance program with the Finnish Tax Authorities since 2017, with the aim of preliminary discussions to ensure correct taxation. The Group Tax team reports on the status of Group tax issues biannually to the Audit and Risk Committee.

At Tietoevry tax compliance is considered an integral part of ethical and responsible business conduct. Therefore, violations that can be reported through the Group's Whistleblowing channels also include those relating to tax.

Income taxes payable are based on taxable results, against which confirmed tax losses have been utilized.

Progress

During 2023 special attention was given to ethical AI development. Tietoevry is both a provider and a user of AI-based solutions. Therefore, we play a crucial role in ensuring the business value of AI, as well as in minimizing the risks and costs of AI technology towards customers and individuals. During the year a working group was formalized to approach AI holistically. An internal, company-wide knowledge hub was established to share AI-related policies, facts and ways of working with all employees. Tietoevry's AI policy and AI rule were updated during the year to meet the rapid development needs of AI tools in the market, as well as to ensure ethical AI use towards our customers.

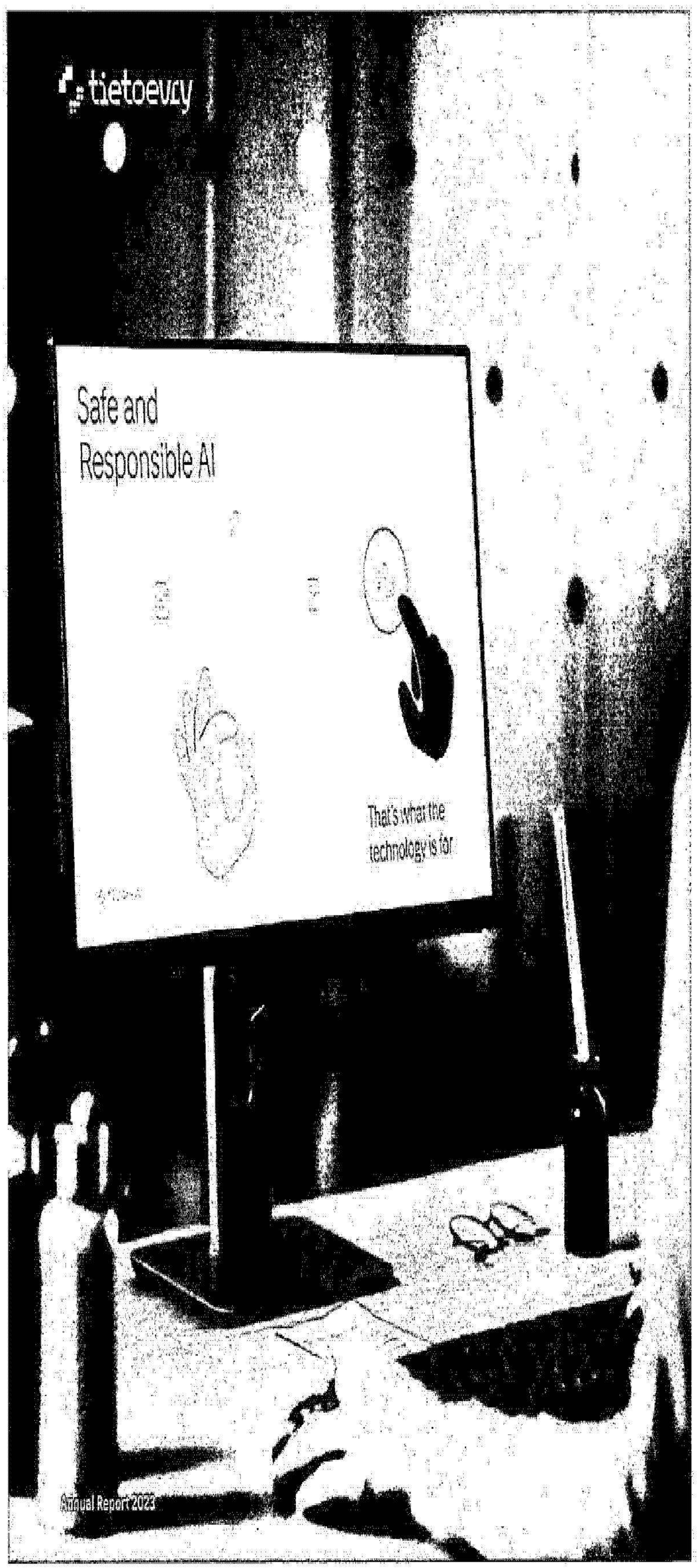
Completion of our Code of Conduct e-learning is a mandatory goal in all employees' scorecards and is formally evaluated as part of each employee's annual-review process. During 2023 a renewed Code of Conduct e-learning was launched for all employees. The emphasis is on teaching various issues – from non-discrimination to ethical conduct in the market. In addition, a global internal awareness session with business and group representatives was held to advance internal dialogue on ethics.

We aim for 90% e-learning coverage each year. By the end of 2023, 96% of employees had completed the Code of Conduct training, which is on a same level compared to 96% completion in 2022. The scope of the completion rate of the Code of Conduct e-learning remained similar as in 2022. It includes Tietoevry employees, Infopulse and EVRY India. Hence, it does not cover subsidiaries Bekk, Avega and Mentormate, due to those entities not being integrated in Tietoevry's Learning Managing System (LMS).

In addition, the following activities have been conducted:

- → Follow-up and implementation of the Know Your Counterparty Rule and Anti-money Laundering Policy launched in 2022
- → Organized mandatory trainings for all our employees
- → Continued to increase awareness and training around our compliance culture by reviewing our third-party management practices and coordinating with other functions to drive continuous improvement of the compliance culture
- → Carried out sustainability awareness sessions training – with components on business ethics – as part of Tietoevry's 'Take off' days for new employees in the Nordic region
- → Conducted training for customer teams about our tools and policies
- → Launched Tietoevry's human-rights policy and a roadmap to implement our human rights due diligence framework. As part of this, a training on business and human rights was rolled-out to all employees. Read more in the section Human Rights
- → Specific trainings on Anti-Corruption and Competition law conducted
- → Updated the corporate risk matrix with new ESG-risk types covering areas such as environment, human rights, and corruption.

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During 2023 Tietoevry continued systematic activities to detect and prevent any acts of corruption and unethical behaviour. No cases of corruption or anti-trust were detected during the year. Tietoevry has zero tolerance for corruption and unethical behaviour, and we continue our work to increase ethical awareness and strengthen internal controls with the aim of reducing this risk.

A corruption case in Latvia was reported in the Sustainability Report 2018. There a former Tieto employee was found guilty and convicted for bribing a public official that same year. The trial concerned the person as an individual, not the former Tieto as a company. Tieto conducted independent investigation and took various corrective actions to ensure that this type of wrongdoing would not happen again. In December 2020 the case was transferred to a prosecutor who decided to press charges against Tieto Latvia SIA for accused lack of controls. The case continues to be subject to court proceedings in the Riga District Court. Tietoevry denies the charges and will defend its position.

Tietoevry received 48 reports through the Whistleblowing channel and 11 whistleblowing reports through other channels, resulting in 59 reported cases in 2023. The reports originated from 9 different countries, while in 8 reports the country of origin was not identified. All the reports were investigated. They included allegations of fraud, misuse of company assets, privacy, security, environment, procurement, conflict of interest, discrimination and harassment. Breaches to the Code of Conduct were substantiated in 6 cases and resulted in 7 disciplinary actions including termination of employment, written warnings and verbal warnings. No incidents of corruption were identified in 2023.

In comparison to previous years, whistleblowing reports have been on the rise in the last two years. In 2020 we received 30 reports, in 2021 we received 24 reports, in 2022 we received 54 reports. Our ambition is to have employees actively speak up when suspecting or witnessing misconduct, including breaches of our Code of Conduct or other laws, policies and rules. Generally, an increase in whistleblowing reports is a positive development and a result of higher awareness, but it may also be a concern. All reports are investigated to determine if a received report is substantiated. We also educate our employees on our values and guidelines, with the aim of increasing awareness and building a better working place for everyone.

Looking ahead

Business ethics and anti-corruption continue to be important to Tietoevry. During 2024 we will implement a new long-term sustainability plan, with roadmaps for business ethics and anti-corruption going forward. We continue to conduct targeted trainings on business ethics areas that may involve a bigger risk for unethical conduct.. From a corporate governance and compliance point of view, AI and the activities around it remain a high priority for the year 2024.

Cybersecurity and privacy

Tietoevry provides many services that are critical to societies. With the more volatile geopolitical situation and the war in Ukraine still contributing to uncertainty and increased security threats, our role as a trusted IT service provider is more vital than ever. Our aim is to keep services running and information safe under all circumstances, by maintaining and continuously improving our security and privacy maturity and controls.

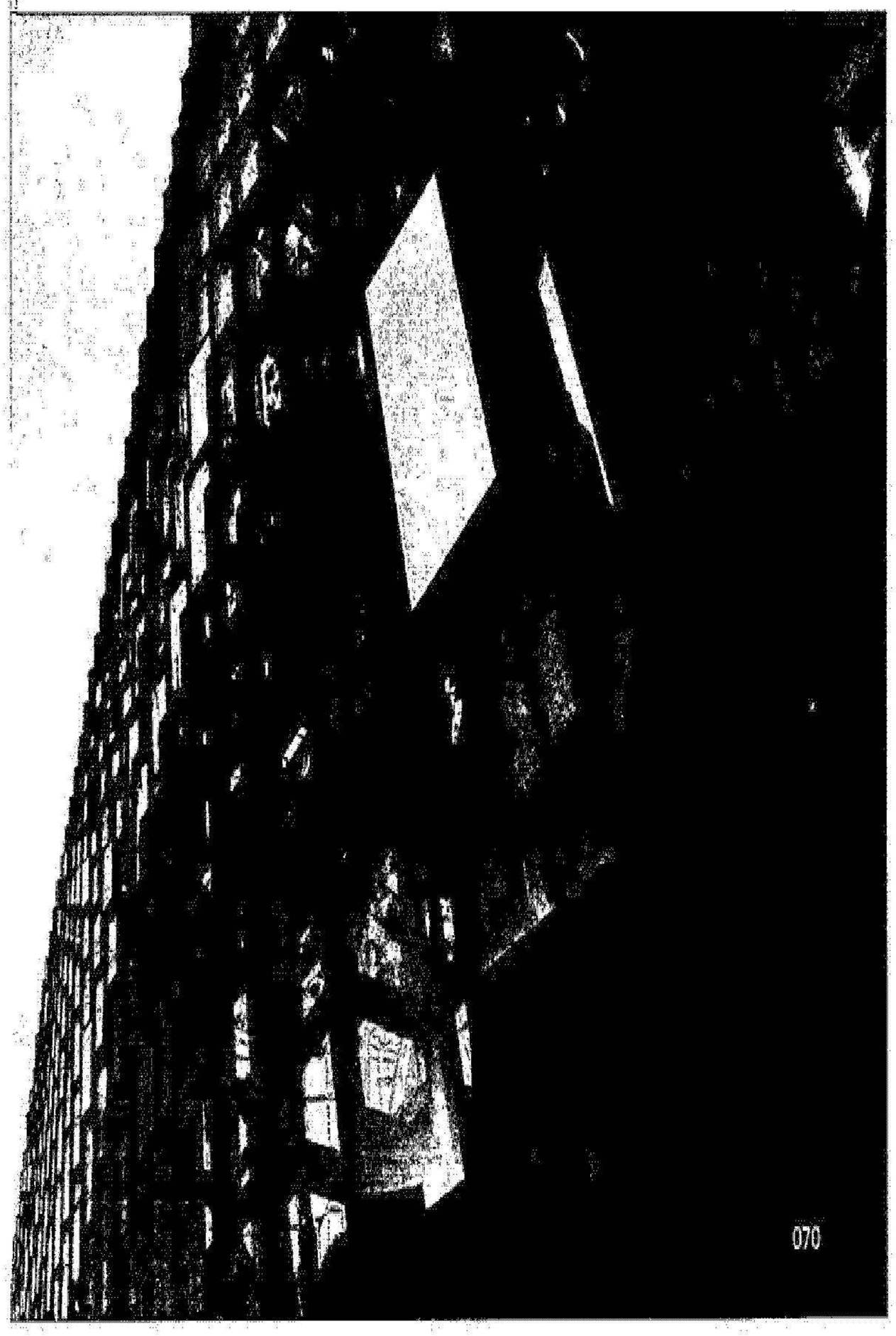
We have customers in critical industries – including finance, healthcare, energy and telecom – as well as in the public sector. When our customers can rely on us providing secure IT services, they can in turn provide essential services to society. It is essential for us to build resilient services and provide assurance to our customers through robust processes, policies, audit reports and certifications. This is how we earn and maintain our customers' trust and how we protect individuals. We are fully aware that security or privacy failures could have severe negative consequences – not only for our customers but also directly for citizens.

We are thus committed to building security into every delivery, solution and relationship, and to complying with all applicable privacy laws – mainly the GDPR regulation – in the countries and regions where we operate. The importance of ensuring a safe and secure digital world is increasing as human interactions become more data driven. Security risk management, business continuity, security awareness and well-functioning security services and response routines are important building blocks for establishing good security resilience and meeting our stakeholders' expectations.

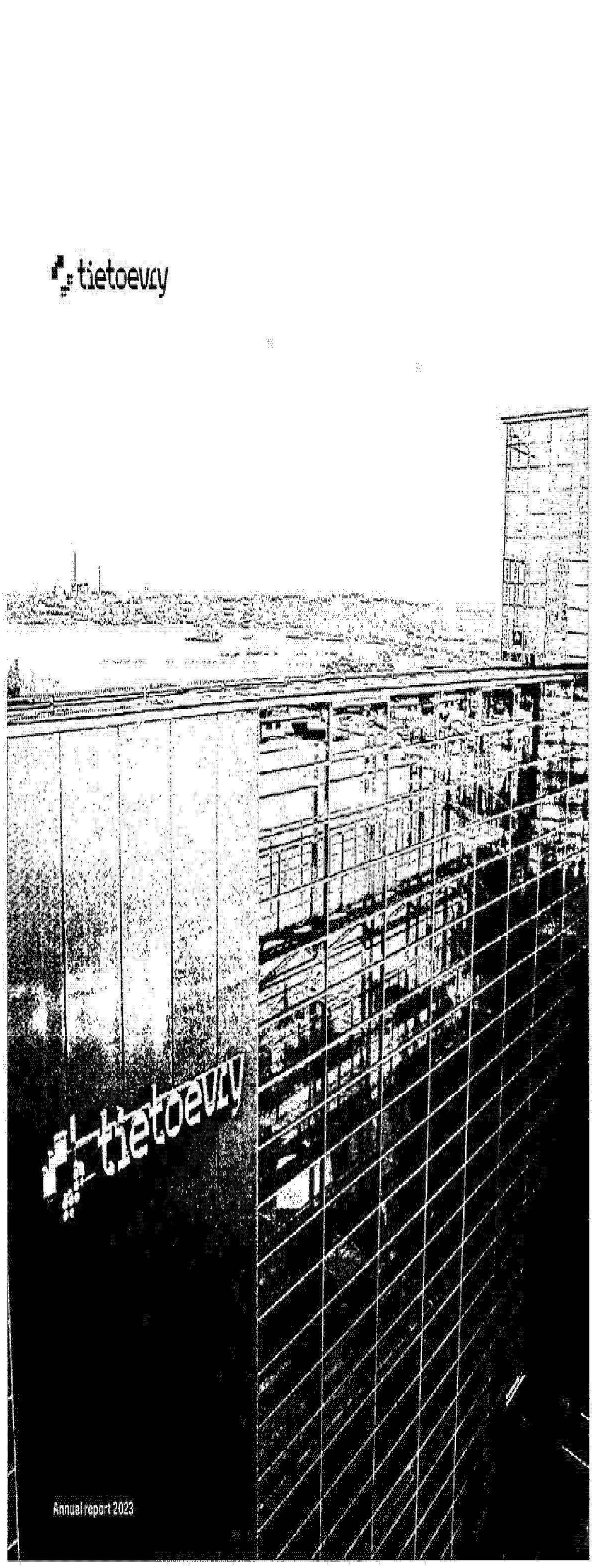
Our attention is particularly focused on the situation in Ukraine, where the safety of our local employees is our utmost priority. We have taken steps to ensure the continuity of services and have responded to the heightened threat situation by reviewing our business continuity plans. This includes intensifying the security monitoring of our services, verifying the security of internet-facing critical services and bolstering internal IT security. There have been no service disruptions or security breaches related to the war.

TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMERS' PRIVACY AND LOSSES OF CUSTOMER DATA

Target 2023, %	Result 2023, %
0	0



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Our approach to cybersecurity

At Tietoevry, we adopt a holistic approach to cybersecurity, encompassing confidentiality, integrity and the availability of IT services and data. We continuously monitor the evolving regulation and threat landscape to update our security framework annually. Our key components, such as the Security Policy, are endorsed by our CEO and align with Tietoevry's strategy.

We employ a risk-based approach to cybersecurity. This means managing risks and mitigating negative impacts by interpreting the evolving threat landscape, ensuring resilient operations, having effective and rehearsed incident and crisis management processes, and actively cooperating with other companies, authorities and communities. These include National Cybersecurity Centres, our key partners and customers, and the global Information Security Forum.

Our Corporate Security team, led by our Chief Information Security Officer, is responsible for security at the Tietoevry Group level. The team works closely with each of our businesses. At Tietoevry security is a team effort: our company-wide security networks and experts regularly share information, experiences and best practices. We use world-class cybersecurity services delivered by the Tietoevry security team and the best partners available to secure our operations and those of our customers, as well as to protect Tietoevry itself. Coordinated security incident response teams handle cybersecurity incidents in cooperation and collaboration with internal and external stakeholders.

In our commitment to uphold the highest standards of compliance and security, we conduct regular internal and external security audits. Our Information Security Management System undergoes rigorous scrutiny and is certified by an external accreditation service. We subject our data centers, selected business units and customer-specific infrastructure services to annual ISO 27001, ISAE 3000 and ISAE 3402 audits conducted by external parties.

Given the critical nature of the services we provide to society, we consider it our responsibility to maintain regular contact with relevant external stakeholders and to actively participate in various security forums. For instance, our longstanding membership with the global Information Security Forum (ISF) equips us with valuable tools, research and networking opportunities across markets and borders. This proactive engagement ensures that we stay abreast of the latest developments and best practices in the field of information security.

Our approach to privacy

Tietoevry has a systematic and holistic approach to governing data privacy. Our Privacy Governance Framework, continuously updated as well as reviewed annually, covers the necessary accountability requirements. We ensure our offerings include privacy-by-design elements and are maintained continuously to be GDPR compliant. Tietoevry's Privacy Policy,

rules and practical processes – including roles and responsibilities, instructions and the privacy network – shape our common ways of working for GDPR compliance as a Data Controller and a Data Processor.

Business leaders are accountable for data privacy. Dedicated privacy personnel support and coach businesses in their daily privacy tasks. Our Group level Data Protection Officers ensure, in an independent manner, that the organization adheres to the laws protecting individuals' personal data.

The most important areas where we work for individuals' privacy and GDPR compliance and support human rights are: product and service development, sourcing and supplier management covering Schrems II obligations, sales and contract management, program and project delivery, personal data-breach management, continuous service delivery. Tietoevry's internal services, individuals rights-request management, and privacy governance. Tietoevry has embedded Data Protection by Design and Default requirements by GDPR into the continuous product and service development rules and processes as mandatory practical tasks and activities.

Tietoevry's employees are responsible for completing mandatory annual GDPR and Privacy trainings, which describe our ways of working to ensure privacy compliance and enforce our commitment to the data privacy of individuals. Tietoevry's GDPR compliance and privacy maturity are regularly monitored and audited, with the status reported monthly to the company's top management and annually to the Audit and Risk Committee of the Board of Directors. Continuous performance monitoring and follow-up to improve common ways of working, increase communication or provide better training all ensure we can quickly identify and react to possible risks.

Progress during 2023

During the year, there was a special focus on stakeholder dialogue regarding cybersecurity and privacy. As the geopolitical landscape and technological advances are in constant change, we have seen heightened interest in these topics from national and local authorities, as well as from customers in various countries. We coordinate actively with our customers and authorities to prepare for potential adverse events in cyberspace, as well to maintain high cybersecurity standards with good results.

The war in Ukraine has had an impact on our operations as we have a substantial team there. During the year, our priority has been to ensure the security of both our colleagues and our operations, minimizing risks to the company within cybersecurity and ensuring business continuity. Read more on Ukraine in the section on Employee Experience.

Throughout the year, the Data Protection Framework between the EU and US has been thoroughly investigated. The required changes were implemented into the Sourcing process as



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well as in training sessions held for key internal stakeholders. Additionally, Group Privacy has monitored the changes on privacy-related legislation in the EU, as well as in non-EU-countries where Tietoevry operates. Internal projects have been initiated in India and China, for example.

Managing cybersecurity risks and business continuity in our supply chain is critical to us. Throughout 2023, Tietoevry has developed strategies and processes together with Group Sourcing and Group CIO for securing our supply chain, incorporating monitoring processes and aligning with sourcing and privacy considerations. Response teams are in place 24/7, capable of immediate action and reporting. Efforts have been put in place not only towards prevention but also towards minimizing downtime in the event of a significant incident. In October 2023, Tietoevry organized a Cybersecurity Awareness Month. We offered many topical learning opportunities and webinars for employees, as well as cybersecurity briefing sessions for customers who wanted to better understand current cybersecurity threats. All Tietoevry employees are required to undergo mandatory training annually to maintain their knowledge of requirements and expectations related to cybersecurity, physical security and travel safety. During 2023, 99.93% of our employees completed the security training, which is well above our goal of a 90% completion rate. Additionally, 99.97% of Tietoevry employees also completed our mandatory annual GDPR and Privacy training sessions. Over 67% of our employees are active users of our internal phishing simulation, and we can clearly see the benefits of these training activities through raised awareness and changes in our employees' behaviour.

Tietoevry received 0 substantiated complaints in 2023 regarding breaches of our customers' privacy, thereby meeting our annual target.

During the night of January 19-20, 2024, a ransomware attack on one of Tietoevry's data centers in Sweden took place. Tietoevry was able to stop the attack and limit the impact to one platform which was immediately isolated from other Tietoevry infrastructure. The attack did not affect other parts of the company's infrastructure.

Tietoevry has been working closely with the impacted customers to help them return to normal operations safely as soon as technically possible. Such restoration process includes several carefully planned and executed phases. At the end of February when publishing this report, most of the technical server restoration is completed, while the recovery of our customers' full services is still in progress. Tietoevry continues to work closely with the customers and their other service providers to complete the final steps of the recovery.

Due to the exceptional nature of ransomware attacks and the restoration process, the company is not able to fully assess financial impact while at this point in time anticipates it not to be material at the Group level.

Naturally, Tietoevry continues to actively support the authorities in their investigations. Due to the criminal nature of the attack and for security reasons, Tietoevry cannot publicly share technical details of the attack, the restoration details nor customer-specific information.

Looking ahead

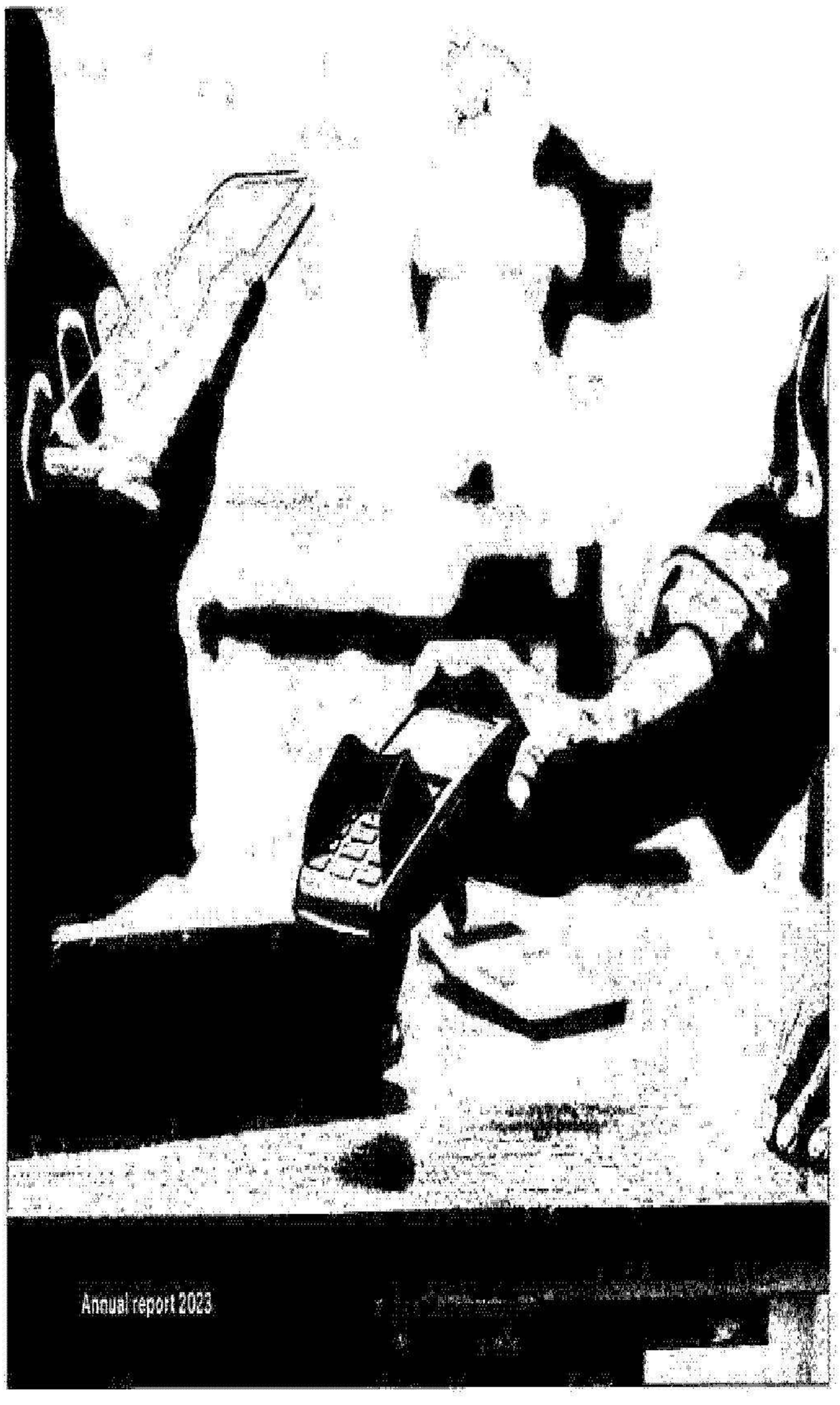
We remain dedicated to assessing and enhancing the effectiveness of our cybersecurity and privacy measures in response to known risks, emerging threats, as well as local and EU regulatory changes. Our efforts are also aligned with audit findings and the evolving needs of our customers' businesses. It is important that we continue to measure and improve our cybersecurity and privacy against known risks and evolving cybersecurity threats, as well as against current and upcoming local and EU regulatory requirements. We monitor the volatile geopolitical situation as well as our audit findings and the business needs of our customers. With the launch of Tietoevry's new sustainability long-term plan during 2024, these topics will continue to be in focus.



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CASE

Using technology to prevent fraud



With its 3D Secure Monitoring solution, Tietoevry Banking is stopping fraud and contributing to safer online shopping for consumers – while also helping to prevent money from going to organized crime.

"Tietoevry Banking has monitored card transactions on behalf of our customers for a long time. We are continuously working to improve the way we are doing this," says André Moen Eide, Head of Tietoevry Banking's Financial Crime Prevention Defence Center.

Phishing on the rise

The latest solution Tietoevry Banking is offering its customers is called 3D Secure Monitoring, created in response to the big increase in attempts at phishing. This is a form of fraud where a person is contacted by criminals pretending to be someone they know. The person is then lured into providing sensitive data such as social-security numbers, or banking and credit card details and passwords.

"Forty percent of the fraud we detect on behalf of our customers is phishing, and this is increasing all the time. Our solutions need to keep up with this," explains Moen Eide.

Aborting transactions

It used to be that Tietoevry Banking's system would not flag any payments carried out via a two-step verification process, which typically involves using your online-banking credentials to verify your payment.

"We could previously assume that all such transactions were legitimate. With the rise of phishing, however, this is no longer the case," explains Moen Eide.

This is where 3D Secure Monitoring comes in. The system not only checks whether a transaction was made using a two-step verification process, it also looks at factors such as the device being used, the IP address and the browser language. Using all this information, the system can abort transactions that look suspicious.

"Let's say someone has got hold of all of your necessary banking information and is using this to make a transaction with your credit card. If our system sees that this transaction is being made from an unusual location and with a device that has not been used before, it will abort the transaction before it goes through," explains Moen Eide.

Thirty-one million euros

The system – which is being by more than 40 banks in the Nordics and the UK – prevented fraud worth more than EUR 31 million in 2023.

"We see that this is working well and that the banks using the solution are really happy," says Moen Eide. "Part of the reason for this is that the system is pretty accurate. Over 70 percent of the transactions that were aborted turned out to be fraud attempts."

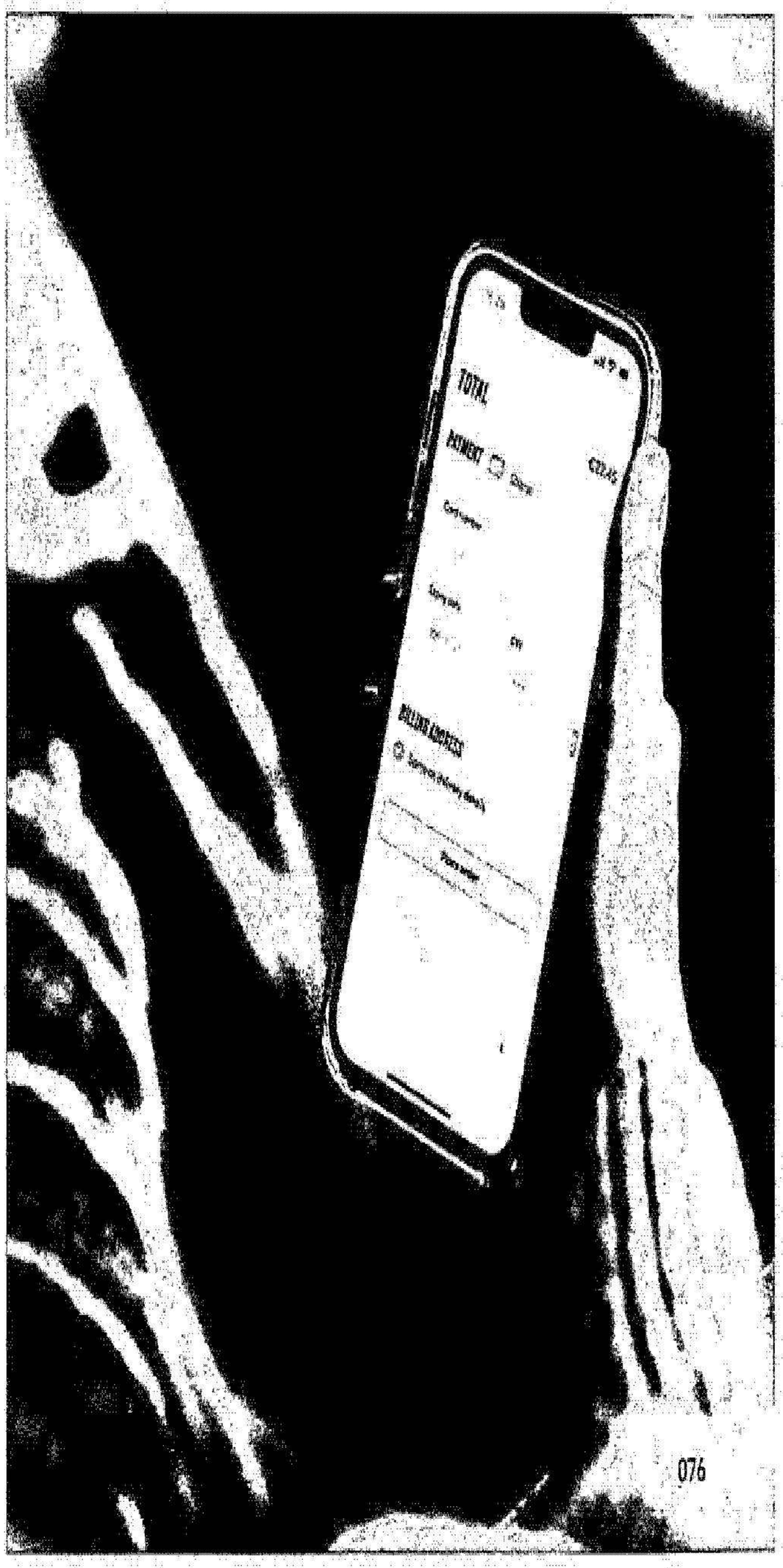
Stopping criminal money flows

The benefits of Tietoevry Banking's 3D Secure Monitoring go beyond making online shopping safer. The system also contributes to cutting off the money flow to organized crime.

"We know that a lot of the fraud attempts we stop are being carried out by organized crime. So by aborting the transactions before they happen, we are stopping their cash flow," says Moen Eide.

Moving forward, the team is hoping that even more banks will adopt the 3D Secure Monitoring System.

"This is something we are all really proud of, so of course we would like to see it being used as widely as possible. It benefits banks, their customers and society at large," concludes Moen Eide.



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CASE

AI in public administration



Tietoevry is helping multiple Norwegian municipalities harness the power of Artificial Intelligence to protect the privacy of citizens.

Norwegian law requires, with some exceptions, correspondence to and from public entities to be made available to the public. The correspondence is stored in electronic mail journals, which let anybody who is interested to search for and download correspondence they want to see. In addition to being mandated by law, this kind of transparency is crucial for building and maintaining the public's trust in government at all levels, and as such is an important part of democracy in Norway.

However, some of the information in these documents needs to be redacted. This includes personal information about individuals, such as names and social-security numbers.

In September 2020, the Norwegian municipality of Lillestrøm discovered that it had accidentally published a cache of documents in its electronic mail journal containing personal information about several named students in the municipality.

"The incident deeply affected those who work here. The fact that it involved minors made the matter particularly serious. Therefore, we decided to explore solutions that could further strengthen the privacy of our residents, without compromising transparency," explains Synnøve Standal, who leads the unit in the municipality that deals with its correspondence and other official documents.

Harnessing AI to protect privacy

This exploration led the municipality to Tietoevry and our Public 360° team, who were already the supplier of Lillestrøm's document and case-management system. Together with two other Norwegian municipalities, the team developed the 360° Archive Inspector. The system, which is part of the Public 360° solution for document handling and case management, uses Artificial Intelligence to check documents for personal information and other details that should be redacted.

"This is a great example of how you can use Artificial Intelligence to make a standardized service," says Sebastian Reichmann, Head of AI &Insights, Tietoevry Industry, Public 360°.

"We use computers for what they do better than humans, namely quickly finding patterns in large amounts of data," adds Bjørn Tore Eriksen, Lead Product Manager at Tietoevry Public 360°.

Just the beginning

Eriksen refers to the Archive Inspector solution as "AI right out of the box." This means that it should be something all municipalities and other public entities in Norway can quickly start using. The 360° Archive Inspector is currently live in six municipalities that are home to almost eight percent of the Norwegian population.

"The solution is standardized so it can fit many different organizations. You could say it's AI plug and play," explains Inger Johanne Weum Bjørnerem, the Tietoevry Product Manager for the archive inspector.

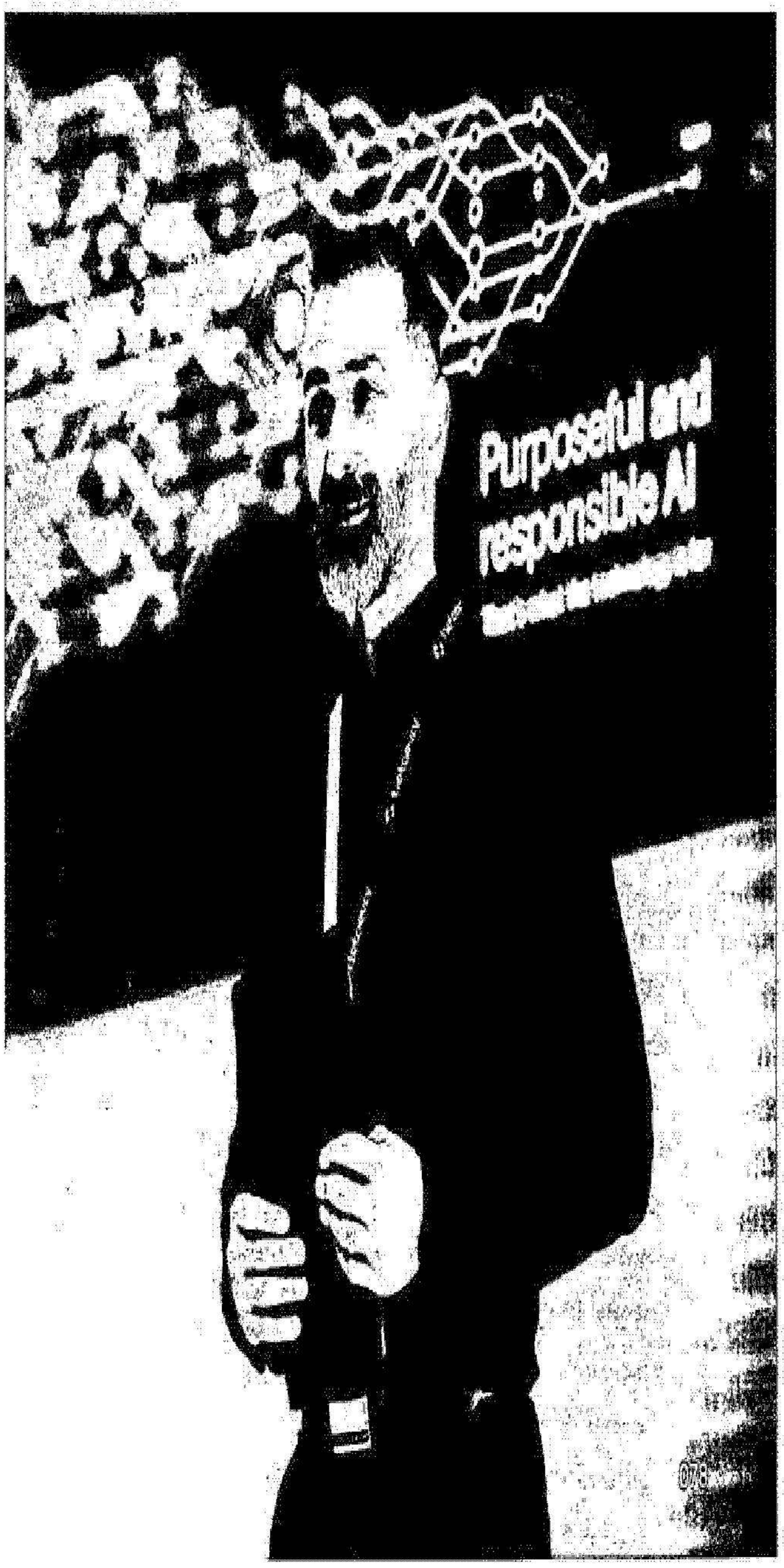
"For us, this shows how Artificial Intelligence can be used to solve very specific problems and speaks to the potential of this technology. Artificial Intelligence will be a focus area for us in the future, and we look forward to helping both existing and new customers implement smart AI technology," says Weum Bjørnerem.

Standal reports being very satisfied with the Tietoevry collaboration.

"It has been incredibly instructive for us to be part of this project. We have worked closely with Sebastian, Bjørn Tore and the rest of the team, having a very constructive dialogue on how various issues can be addressed," she says.

Standal believes that the proper use of new technology can contribute to increasing trust between municipalities and citizens.

"This is an example of how we can use digital technology to ensure transparency in municipal administration, while also securing the privacy of our residents. In this way we strengthen both local democracy and residents' trust in the municipality," she concludes.



Human rights

We firmly believe that technology presents an opportunity to create a positive impact on people, through the conscious use of smart and equitable technical solutions and by leveraging data responsibly. Nevertheless, the growing reliance on information technology brings forth challenges and risks to human rights. As a company, it is imperative for us to recognize and comprehend these risks and impacts in order to effectively mitigate and manage them.

Addressing this multifaceted task extends beyond the technologies we deliver; it encompasses our internal operations, relationships with suppliers and collaborations with business partners. We must actively engage with relevant stakeholder to ensure that we can uphold our commitments to respecting human rights.

How we work

Tietoevry is a member of the UN Global Compact and is committed to following the UN Guiding Principles on Business and Human Rights (UNGPs). We strive to respect and support all internationally recognized human rights of all people touched by our business across all societies where we operate. Our commitments are set by the following policies and related rules:

→ Tietoevry Human Rights Policy
→ Tietoevry Code of Conduct Policy
→ Tietoevry Supplier Code of Conduct Rule
→ Tietoevry Privacy Policy
→ Tietoevry Security Policy
→ Tietoevry AI Policy and Rule

These polices and related rules outline the company's commitment and expectations. Guidelines relate to respect for human rights in internal relationships as well as in business activities across the value chain.

HUMAN RIGHTS IMPACT ASSESMENT

TARGET	RESULT 2023
Conduct a formal Human Rights Impact Assessment for a business entity	Completed



tietoevry

Human rights due diligence at Tietoevry

We aim to implement our commitment to human rights by ensuring the following approaches, set out in the UNGPs. These efforts include:

- → Human rights due diligence: Execute human rights due diligence on an ongoing basis across our business to address potential human-rights impacts. This includes identifying, assessing, investigating, preventing, mitigating, ending, monitoring and remedying any actual or potential adverse human rights impacts that Tietoevry may cause, contribute to through its own activities, or that may be directly linked to our operations, products or services by our business partners
- → Tracking performance and communicating: We aim to follow up implementation on an ongoing basis through measurable and transparent indicators. Throughout the tracking, monitoring and evaluation process, we aim to engage and seek feedback from impacted human-rights holders. We are also committed to promptly and efficiently communicate our human-rights performance – both internally and externally – including due diligence and responses
- → Provide for grievance and remediation: We commit to maintain, ensure and promote channels for transparent and open communication, where all internal and external stakeholders can raise concerns without fear of retaliation or reprisal, and to provide fair investigation and access to effective grievance mechanisms. Reports of violations can always be made anonymously through our external whistleblowing channel or to any of our other channels for escalations. For more information about our channels for escalation, please see Business ethics and anti-corruption.

Salient human-rights issues and value-chain management

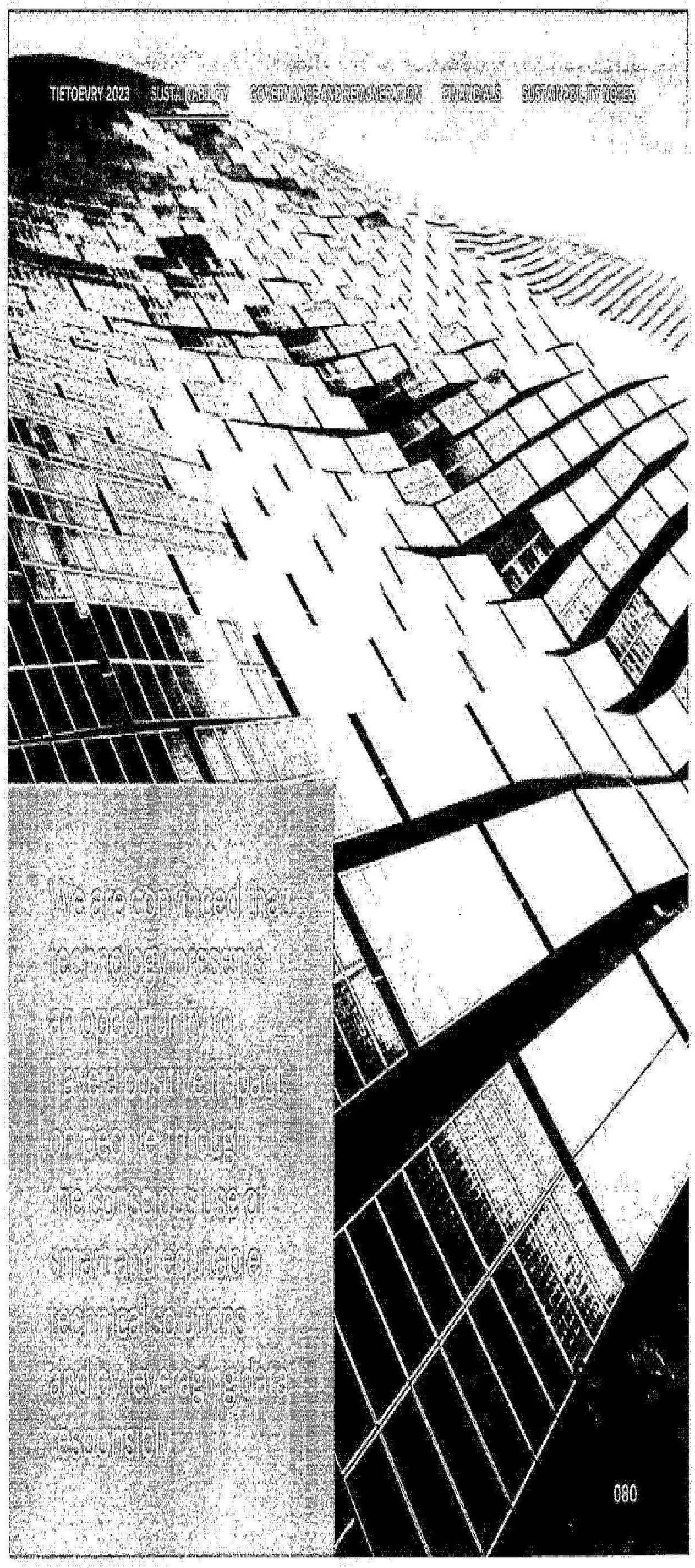
We recognize that among the most salient human-rights issues are privacy, freedom of opinion and expression, discrimination and labour rights. Additional areas with potential human-rights implications concern conflict minerals when sourcing hardware, as well as potential corruption incidents and negative impacts on the environment. The table on page 82 illustrates where in the value chain any salient issues are relevant.

Our Supply Chain

With our responsible sourcing practices we hold our suppliers accountable to the same expectations we have set for ourselves. This also applies to human rights. Read more under Responsible Sourcing.

Our operations

Our goal is to have a culture built on our core values of openness, trust and diversity. See Employee Experience and Diversity & Inclusion for more detail. During 2023 we rolled-out a tailor-made human-rights training course for all employees, as well as supporting training materials on human rights due diligence from the UN Global Compact Academy. The aim of the training materials is to raise awareness about human rights in business in general, but also how human rights are interlinked with Tietoevry's business, our efforts with the topic and ways employees can take action in their roles to respect human rights.



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During the year we also conducted a gap-assessment of our Human Resources policies and processes against the UNGP's. The outcome of the assessment will help prioritize our actions in terms of further implementation of the human rights policy.

Our offerings and deliveries

Tietoevry is committed to respecting and protecting privacy and security related to all deliveries, solutions and relationships, with the aim of keeping information safe under all circumstances. We also aim to consider security and privacy requirements in our product and services development. See Cybersecurity and privacy for more information.

Tietoevry strives to conduct third-party sanction screening when establishing a business relationship with a new counterpart. Tietoevry shall also conduct enhanced Know-Your-Customer checks through questionnaires on an as-needed basis.

During the year a rapid human rights checklist for product and service development was developed and piloted on a number of solutions. Further development of the tool will take place during the coming year, with the aim of implementation during 2024.

Another project that took place was the development of a human rights country risk tool. This tool is aimed at identifying countries where negative impacts on human rights are considered a high risk. The risk tool will be piloted with one of Tietoevry's businesses related to the opportunity management process during 2024.

Progress

In 2023 we continued our efforts to implement our human rights policy and enforce respect for human rights across our value chain and in all elements of our work. Tietoevry's human rights training, supporting materials and our Human Rights Policy were rolled out to all employees through a communication campaign at the beginning of 2023.

A human rights steering committee was also set up at the beginning of the year with the aim of overseeing the company-wide human rights agenda. The committee is driven by Group Sustainability and comprises representatives from Corporate Businesses Services, including Human Resources, Facilities, Legal, Internal Audit and Group Risk. The committee meets on a monthly basis and works with executives and employees from various entities and functions within Tietoevry to further embed human rights due diligence.

Tietoevry's target to complete one human rights impact assessment (HRIA) for a business entity was also achieved during 2023. The HRIA carried out was initiated in 2022 and completed early 2023. The outcomes of the HRIA have spurred various initiatives aimed at enhancing employee dialogue, refining local procurement procedures, bolstering our whistleblowing mechanisms, and integrating human rights impact assessments into our sales process. Tietoevry remains committed

Value chain	Human rights risk
Supply chain	Labour rights Discrimination
Tietoevry employees and other workers	Labour rights Discrimination
Potential technology misuse	Privacy Freedom of opinion and expression Discrimination

to conduct human rights impact assessments concerning salient issues and significant business decisions, as an integral facet of our human rights due diligence framework.

During the year zero severe human rights breaches related to Tietoevry's operations were identified.[1]

Looking ahead

Our efforts to consolidate the human rights due diligence framework will continue during 2024 and beyond. The main focus areas for the coming year will include further integration of due diligence in relevant processes, as well as development of additional trainings and risk assessment tools. The work on human rights assessments related to Tietoevry's salient human rights issues will continue as well. In connection with the development of the new sustainability strategy for the company, relevant KPIs and targets will also be developed.

[1] The definition of severe human rights breaches includes the following covering the latest financial year: a) whether Tietoevry has had conviction in court cases on labour law or on human rights and/or b) if a National Contact Point (NPC) has accepted a human rights case, but Tietoevry has refused to engage with the party initiated, or if Tietoevry has been found to be non-compliant with the OECD guidelines by an NCP and/or c) if the Business and Human Rights Resource Center (BHRRC) has taken up an allegation against Tietoevry and Tietoevry has not answered for three months.



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Responsible sourcing

At Tietoevry we recognize the importance of sustainable development in all our operations and across our supply chain. We believe that responsible business conduct, and taking care of people and the planet, are fundamental to long-term business performance. By adhering to responsible sourcing practices, we are also actively meeting the expectations set by our customers and local governments.

Our policies and processes are designed to promote transparency and align with international norms and regulations – including the United Nations Global Compact – with principles for human rights, labour conditions, the environment, business ethics and anti-corruption. We also set sustainability requirements for our suppliers in our Supplier Code of Conduct.

Alignment with our Supplier Code of Conduct is the key building block for collaboration with our suppliers. The Code sets high standards not only towards our direct suppliers, but also in terms of how these direct supplier manage their suppliers. This way we can make a positive impact beyond our own operations.

How we work

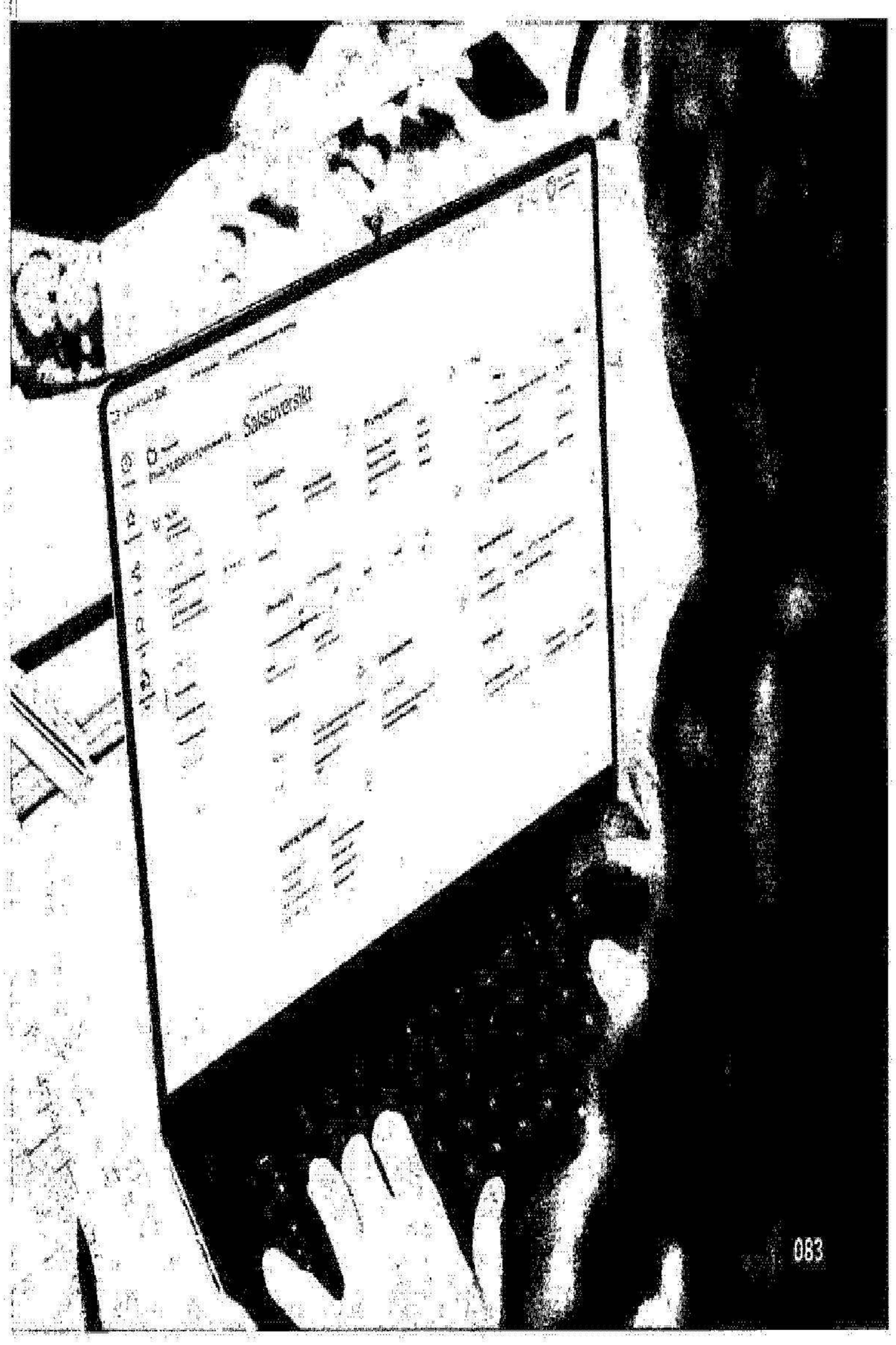
Tietoevry's suppliers provide a significant share of solutions, products and services for our customers and our own operations. Our suppliers mostly provide software, IT consultants, solutions and hardware to our five specialized businesses, but also other services related to areas such as human resources, facility management and travel.

We expect our suppliers to comply with all applicable laws and regulations. Suppliers that have a contractual relationship with Tietoevry must adhere to the principles outlined in our Supplier Code of Conduct. This Code includes a common set of ethical and business principles for our daily work with suppliers. It forms the foundation for the operative framework of the company's Responsible Sourcing practice. Its purpose is to qualify and onboard our suppliers in a consistent way.

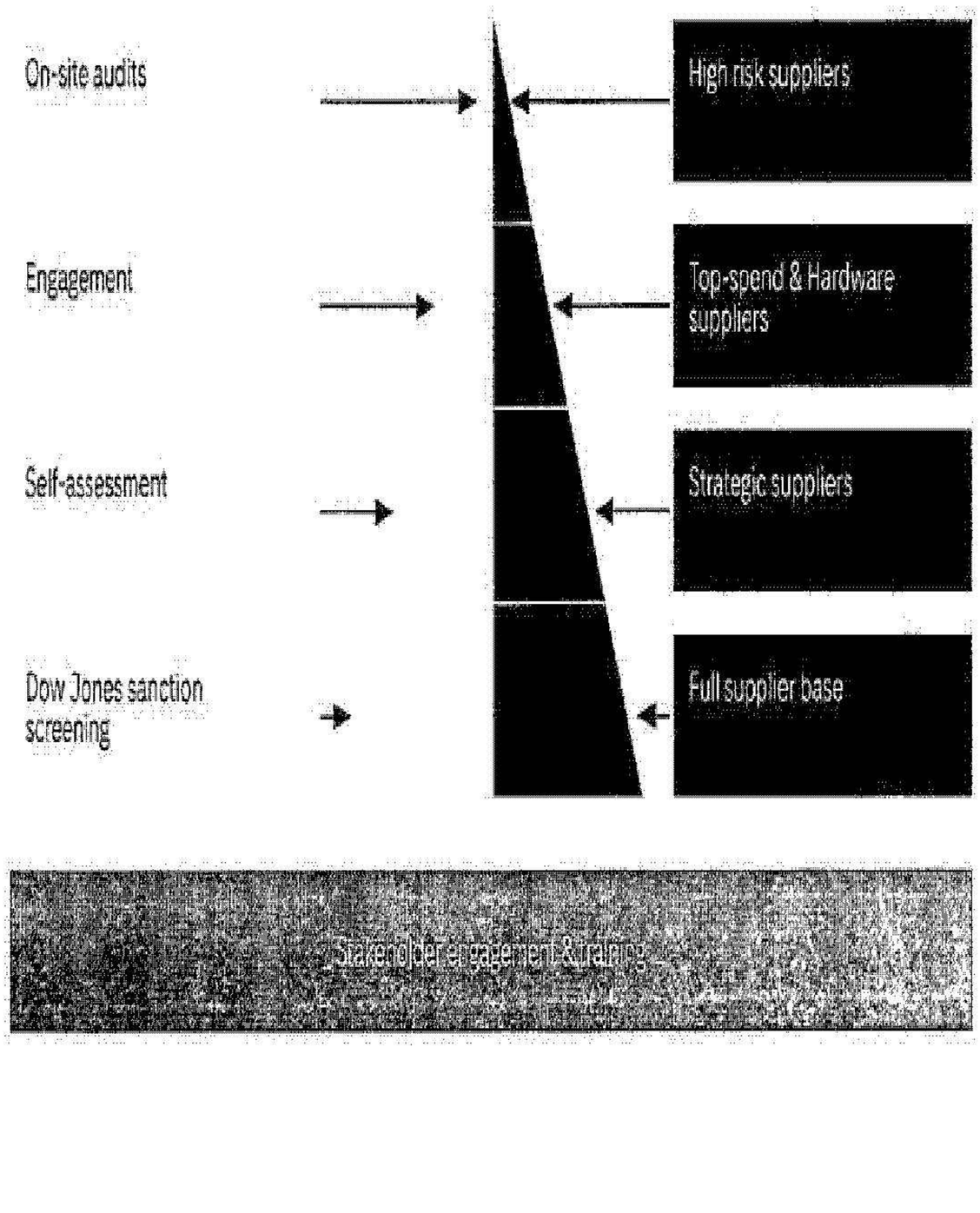
We review our ways of working and our progress each year. In addition, all onboarded suppliers need to go through a sanction check. Our Group Sourcing and Partnerships Function, headed by our Group Chief Procurement Officer (CPO).

NEW OR RENEWED SUPPLIERS AGREEING TO TIETOEVRY'S SUPPLIER CODE OF CONDUCT

Target 2023, %	Result 2023, %
100	**100**



TIETOEVRY MODEL FOR RESPONSIBLE SOURCING



tracks new and renewed supplier contracts to ensure we maintain our standards and keep a high level of compliance.

We identify and mitigate risks in our supply chain by utilizing our risk-review model. The review produces a risk profile for our suppliers based on several prioritized actions in different segments. For instance, we perform management reviews with selected suppliers and send out self-assessments. We also conduct on-site audits for suppliers identified as having an elevated risk of non-compliance with our Code of Conduct.

Our top 200 suppliers, ranked by spend, account for over 83% of Tietoevry's supplier spend. Most purchases take place in the Nordic countries, which allows for a simpler approach regarding risk-review activities. Suppliers based in Finland, Sweden and Norway represent around 70% of our total annual purchase volume.

Each year our Sustainability and Sourcing functions agree on supplier-related activities and annual targets. Sourcing managers working closely with the five specialized businesses are responsible for making sure that our Source To Pay Policy is followed, and that the Supplier Code of Conduct is accepted and confirmed by all suppliers. We conduct annual performance follow-ups within our sustainable supply chain to monitor our own progress and our suppliers' performance.

Progress in 2023

In 2023 we reached the level of 100% in the supplier code of conduct for new and renewed contracts where Group Sourcing was involved. The measurement only includes new and renewed contracts, not purchases done outside of the sourcing policy. The Group Sourcing function is constantly striving to improve the sourcing process, including taking measures to track a larger scope of suppliers going forward.

In 2023 we focused on improving our internal supplier-related processes and our collaboration with suppliers. We now have more frequent touchpoints with our five businesses and their leadership teams. We have also established a centralized supplier due diligence team and process that will start operating in early 2024.

A new Source to Pay policy was launched in November 2023. It more clearly describes the objectives and requirements to be followed in purchasing and sourcing processes, as well as in supplier management. We specified key objectives to make sure that we select suppliers that meet our needs responsibly, while focusing our risk management efforts where there is most risk. We also launched new supplier selection criteria, which include sustainability related assessment as part of the decision to take a supplier on board.

In 2023 we launched our renewed Supplier Code of Conduct with our suppliers. It has

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improvements in areas such as child labour and modern slavery, freedom of association and collection bargaining, minimum living wage, native-language labour agreements and science based CO_2 emission reduction targets. Responsible use of AI was also added to the code.

In our Science Based Targets (SBT), we have committed to increasing the annual sourcing of renewable electricity in our own offices and data centers from 80% in 2020 to 100% by 2026. We also committed to 70% of our significant suppliers by emissions – covering purchased goods and services – to have Science Based Targets by 2026. At the end of 2023 we had reached the level of 29%, so below our target trajectory. Many of our key suppliers submitted their targets to be approved by the Science Based Targets initiative in 2023, but the review is still pending due to abnormally long processing times. If those reviews would have been completed, the share would have been approximately 40%. Compliance with our Science Based Targets was also added as a criterion in our supplier onboarding. Read more about our Science Based Targets in Energy Usage and Greenhouse Gas Emissions.

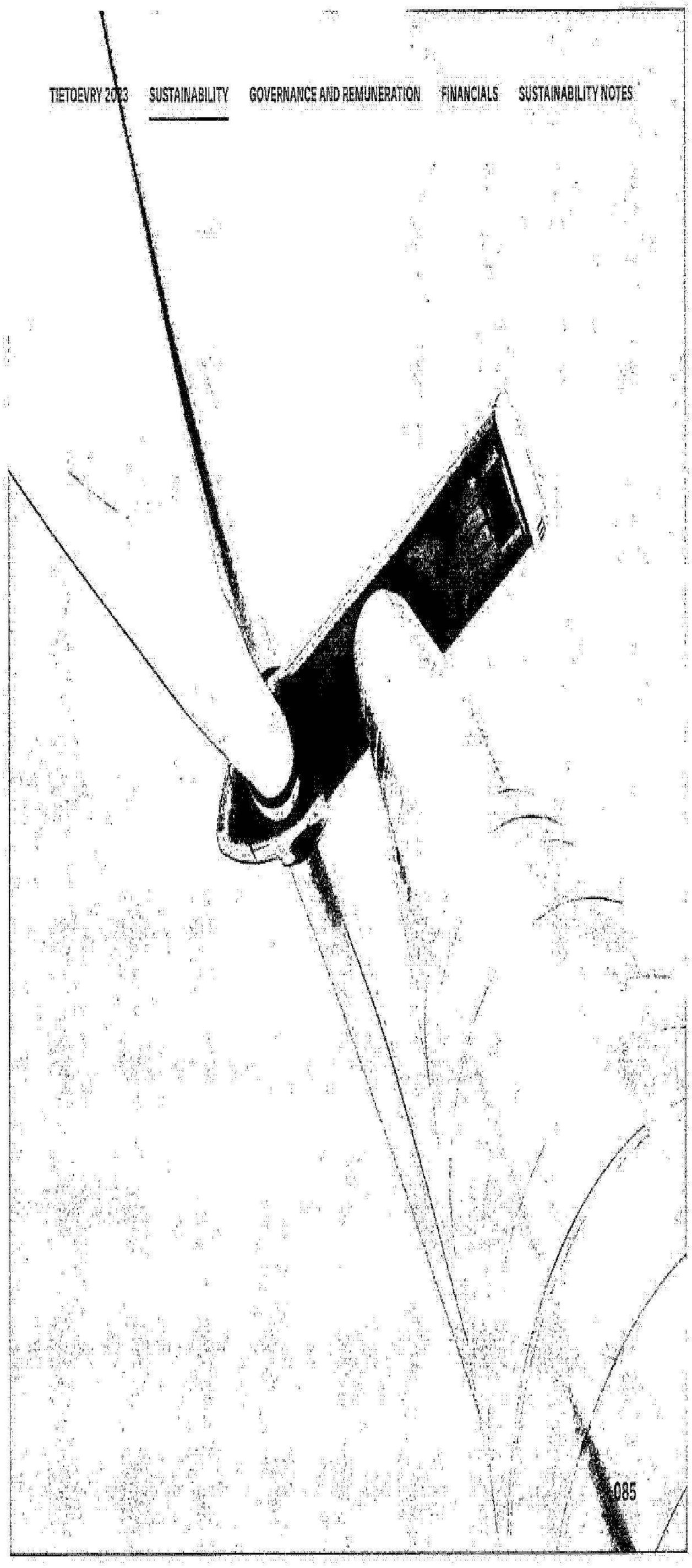
During 2023 we continued to:

- → Review the sustainability management of selected suppliers (largest by expenditure) through active dialogues
- → Send self-assessments to selected suppliers
- → Conduct on-site audits in high-risk markets
- → Train sourcing teams
- → Maintain a structured approach towards sourcing TCO-certified computers (or equivalent to TCO). In 2023, 100% of our procured computers were TCO-certified*
- → Engage in dialogues with our three main hardware suppliers around conflict minerals, both to increase our knowledge and to discuss potential risks and their severity level. No major findings regarding management and risk-detection processes were identified during the dialogues

We also conducted a desktop assessment aimed at identifying the geographical areas where our top-spend suppliers operate, and to assess risks related to the rights for workers to exercise freedom of association or collective bargaining. The scope of the assessment included the suppliers representing 50% of Tietoevry's total spend. The assessment shows that the vast majority (92%) of Tietoevry's top-spend suppliers are based in countries where the risk is low, i.e. the Nordics. The majority of the suppliers are service providers with a low risk from an industry perspective as well.

Throughout 2023 we continued to evaluate the measures and risks in our supply chain, and fine tune our approach towards suppliers in different sectors and markets. This will be a part of our new long-term sustainability plan that will be launched in early 2024.

*High spend tier one suppliers together with high emitting tier two suppliers (mainly hardware).





Looking ahead

We continue further improving sustainability in our supply chain through activities in the Sustainable Supply Chain program, including:

- → Conducting on-site audits
- → Continuing to drive supplier management reviews with key suppliers
- → Further implementing our Supplier Code of Conduct, including training our suppliers
- → Improving collaboration with our main partners and important stakeholders
- → Focusing on how to maximize value and minimize waste
- → Strengthening and monitoring the supplier onboarding process, leading to improved visibility into suppliers' performance

tietoevry

Governance

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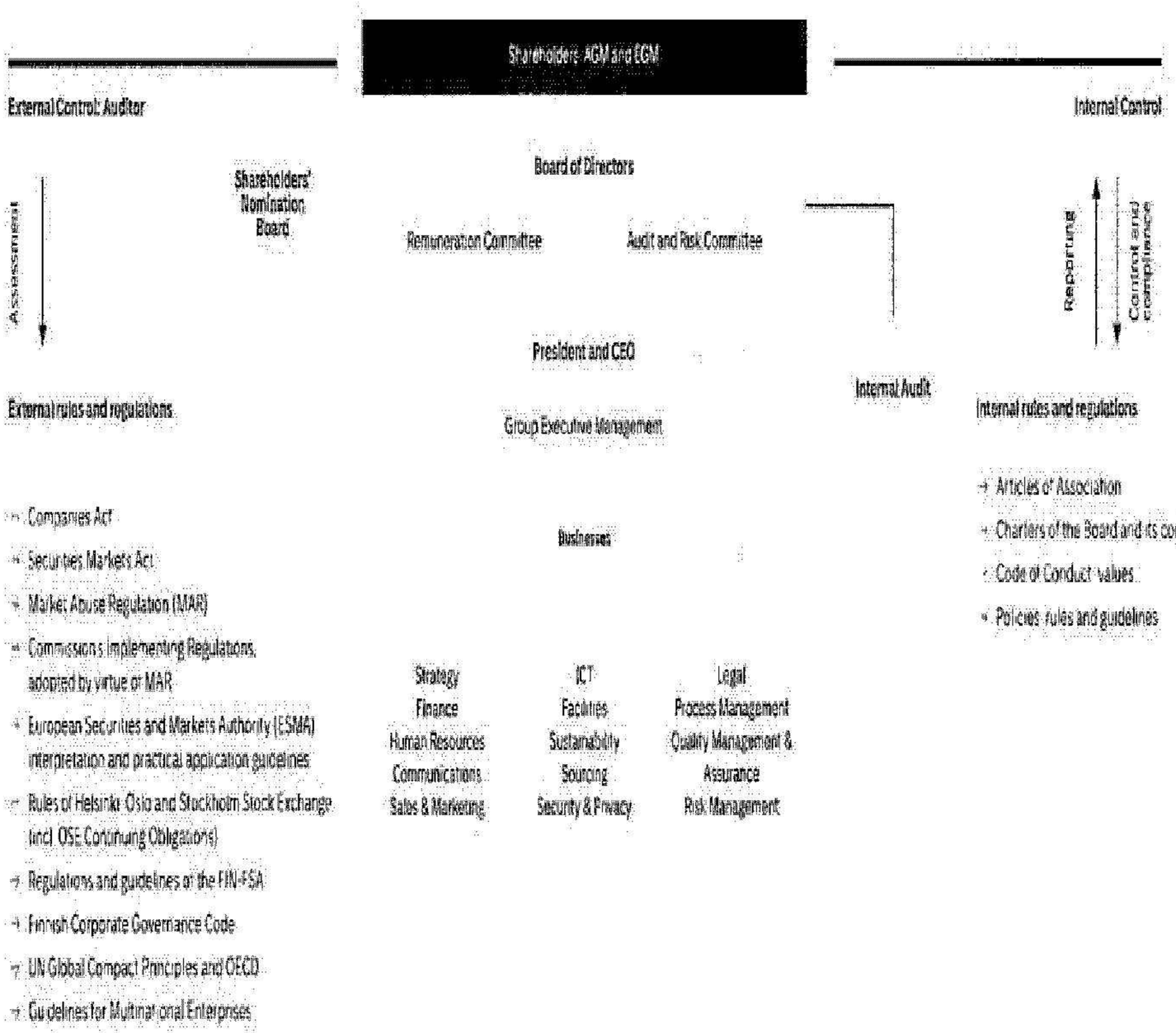


Corporate Governance Statement

Tietoevry is committed to good corporate governance. In addition to the relevant legislation and rules of the Helsinki, Oslo and Stockholm stock exchanges, Tietoevry complies with the Finnish Corporate Governance Code issued by the Securities Market Association of Finland in 2020 with the exception of the appointment procedure for electing personnel representatives to the Board of Directors (Recommendation 5) as described in detail in The Board of Directors section.

This Corporate Governance Statement has been prepared in accordance with the Finnish Corporate Governance Code 2020. The code is available at www.cgfinland.fi. This statement has been issued separately from the report by the Board of Directors and is included in the Financial Review 2023.

GOVERNANCE AT TIETOEVRY



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Annual General Meeting

Tietoevry's supreme decision-making body is the Annual General Meeting (AGM). Every shareholder has a right to participate in the AGM and each share in Tietoevry entitles its holder to one vote. However, no shareholder is allowed to vote at a General Meeting with more than one fifth (1/5) of the votes represented at the meeting.

The AGM elects the members of the Board of Directors (including the Chairperson) and appoints auditors, decides on their compensation and discharges the members of the Board of Directors and President and CEO from liability. The AGM's approval is required for option programmes as well as Board authorizations for share repurchases and share issues. The meeting also makes the decision on the Board's dividend proposal.

The following persons are usually present at Tietoevry's AGM:

- Board of Directors: Chairperson, members and new member candidates
- Group Management: President and CEO, CFO
- Auditors

For more information on the AGM 2024 and previous meetings, shareholders and participation possibilities, please visit www.tietoevry.com/agm.

AGM 2023

- In 2023, Tietoevry's AGM convened on 23 March at Tietoevry's headquarters in Espoo, Finland. Shareholders registered for the AGM were also able to follow the meeting through a webcast. There were 281 shareholders represented at the meeting representing altogether 43,688,188 shares and votes (36.9% of the total outstanding shares). More information about the AGM and results of the advance voting are available on the company's website. In 2023, all resolutions were supported by advance votes of ~90% or more.

Shareholders' Nomination Board

The company's AGM decided in 2010 to establish a Shareholders' Nomination Board (SNB), which is a body of shareholders responsible for preparing the proposals to the AGM for the election and remuneration of the members of the Board of Directors (including remuneration of employee representatives).

The SNB consists of five members. Four of the members represent the four major shareholders who on 31 August held the largest number of votes conferred by all shares in the company and who wished to participate in the nomination process. The fifth member is the Chairperson of the company's Board of Directors. The term of office of the SNB members expires when a new SNB has been appointed. The SNB itself is an organ that has been established for the time being. The charter of the SNB is available on the company's website.

The SNB based on shareholdings as at 31 August 2023 consisted of the following representatives announced by Tietoevry's shareholders:

Nominated by Solidium Oy
Annareetta Lumme-Timonen
Main occupation: Investment Director, Solidium Oy
Born: 1967
Nationality: Finnish
Education: MSc (Eng.) and DSc (Tech.)

Nominated by Cevian Capital Partners Ltd.
Alexander Svensson
Main occupation: Vice President, Cevian Capital AG
Born: 1991
Nationality: Swiss and Swedish
Education: MSc (Management, Organisations and Governance), London School of Economics; BSc (PPE, Economics Major), University of Warwick

Nominated by Incentive AS:
Alexander Kopp
Main occupation: Investment Manager, Incentive AS
Born: 1981
Nationality: Norwegian
Education: A.B. (Econ.) Harvard College

Nominated by Ilmarinen Mutual Pension Insurance Company
Mikko Lantto
Main occupation: Chief Technology and Development Officer, Ilmarinen Mutual Pension Insurance Company
Born: 1975
Nationality: Finnish
Education: BSc (Eng.)

Representing the Board of Directors of Tietoevry Oyj
Tomas Franzén

The SNB convened five times and provided Tietoevry's Board of Directors on 25 January 2024 with its proposals to the AGM 2024. The SNB proposes to the AGM that the Board of Directors shall have nine members and that the current members Bertil Carlsen, Elisabetta Castiglioni, Tomas Franzen, Liselotte Hägertz Engstam, Harri-Pekka Kaukonen, Katherina Mosheim, Gustav Moss, Endre Rangnes and Petter Söderström be re-elected. The Shareholders' Nomination Board proposes that Tomas Franzén shall be re-elected as the Chairperson of the Board of Directors.

The biographical details of the candidates and information on their holdings in Tietoevry are available on the company's website.

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The Shareholders' Nomination Board proposes that the remuneration of the members of the Board of Directors elected by the Annual General Meeting be annual fees:

- EUR 137 500 to the Chairperson (2023: EUR 133 000, increase of ~3.4%),
- EUR 73 500 to the Deputy Chairperson (2023: EUR 72 000, increase of ~2.1%) and
- EUR 55 600 to the members (2023: EUR 54 500, increase of ~2.0%).

In addition to these fees, it is proposed that the Chairperson of a permanent Board Committee be paid an annual fee of EUR 20 000, and a member of a permanent Board Committee be paid an annual fee of EUR 10 000. It is also proposed that the members elected by the Annual General Meeting will be paid EUR 800 for each Board meeting and for each permanent or temporary committee meeting. Further, it is proposed that the employee representatives elected as ordinary members of the Board of Directors be paid an annual fee of EUR 15 300 (2023: EUR 15 000, increase of 2.0%) and the employee representatives elected as deputy members of the Board of Directors be paid an annual fee of EUR 7 650 (2023: EUR 7 500, increase of 2.0%).

The Shareholders' Nomination Board is of the opinion that increasing the long-term shareholding of the Board members will benefit all the shareholders. Every member of the Board of Directors elected by the Annual General Meeting is expected to over a five-year period accumulate a shareholding in the company that exceeds his/her one-time annual remuneration.

The Shareholders' Nomination Board therefore proposes that part of the annual remuneration may be paid in the company's shares purchased from the market. An elected member of the Board of Directors may, at his/her discretion, choose from the following five alternatives:

- No cash, 100% in shares
- 25% in cash, 75% in shares
- 50% in cash, 50% in shares
- 75% in cash, 25% in shares, or
- 100% in cash, no shares.

The shares will be acquired directly on behalf of the members of the Board within two weeks from the release of the company's interim report 1 January–31 March 2024. If the remuneration cannot be delivered at that time due to insider regulations or another justified reason, the company shall deliver the shares later or pay the remuneration fully in cash. The remuneration of the employee representatives elected as members of the Board of Directors will be paid in cash.

The Board of Directors

It is the general obligation of Tietoevry's Board of Directors to safeguard the interests of the company and its shareholders.

Composition and election

According to Tietoevry's Articles of Association, the Board of Directors elected by the shareholders shall consist of at least six and no more than twelve members. Board members have a term of office of one year, expiring at the closing of the first AGM following the election.

The company has defined as an objective that in addition to professional competence, Tietoevry's Board members shall be diversified in terms of gender, occupational and professional background and that the Board as a group shall have sufficient knowledge of and competence in, inter alia, the company's field of business and markets as well as environmental, social and governance matters.

The SNB, which consists of representatives nominated by the company's largest shareholders, prepares a proposal on the composition of the Board to be presented to the AGM for its decision. The company has ensured that the diversity principles have been included in the charter of the SNB and charter of the Board and taken into account in the SNB work and candidate search. Three out of nine members elected by the AGM during 2023 were female. Gender diversity is continuously on the SNB's agenda.

In addition to the members proposed by the SNB and elected by the AGM, Tietoevry's personnel elected two members and two deputy members to the Board of Directors. This special appointment procedure is a departure from Recommendation 5 "Election of the Board of Directors" of the Corporate Governance Code. Personnel representation is based on the Finnish Act on Personnel Representation in the Administration of Undertakings and was originally agreed between the company and personnel of the Group by way of a Personnel Representation Cooperation Agreement in 2001.

The objectives of the personnel representation are, inter alia, to provide opportunities for the personnel to influence and affect the organization, to improve communication and decision making within the Group, to increase mutual trust and confidence between corporate management and the personnel as well as to increase and develop the feeling of security among the personnel. The personnel representatives, however, are not entitled to participate in the handling of matters that concern the appointment or dismissal of corporate management, the contractual terms of the management, the terms of employment of staff or matters related to industrial actions.

Board of Directors as at 31 December 2023[1]

Name	Born	Nationality	Education	Main occupation
Tomas Franzén (Board and RC Chairperson)	1962	Swedish	MSc. (Eng.)	Professional Board member
Harri-Pekka Kaukonen (Deputy Chairperson, ARC Chairperson)	1963	Finnish	Dsc. (Tech.)	Professional Board member
Bertil Carlsen[2]	1960	Swedish	MSc. (Business Adm.)	Financial advisor and professional Board member
Elisabetta Castiglioni[2]	1964	Italian	Ph.D. (Tech)	CEO, A1 Digital International GmbH
Liselotte Hagertz Engstam	1960	Swedish	MSc. (Civ. Eng.)	Expert advisor, professional Board member
Katharina Mosheim	1976	Austrian	Ph.D. (Econ.)	CEO, Alpha Pianos AS, professional Board member
Gustav Moss[2]	1988	Swedish	MSc. (Finance & Accounting)	Partner, Cevian Capital AB
Endre Rangnes	1959	Norwegian	BBA (Econ.)	CEO, Zolva Group, professional Board member
Petter Soderström[2]	1976	Finnish	MSc. (Econ.)	Investment Director, Solidium Oy
Tommy Sander Aldrin (personnel representative)[2]	1965	Norwegian	BSc. (Comp.)	Chief Consultant
Anders Pålkiint (personnel representative)[2]	1967	Swedish	MSc. (Eng.)	Senior Project Manager

[1] Timo Ahopelto, Angela Mazza Tauber, Niko Pakalen and personnel representatives Robert Spinelli and Ilpo Wallius served as Board members until the AGM on 23 March 2023.
[2] Board member as of the AGM on 23 March 2023.

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Independence and attendance in meetings of the Board and its committees in 2023

Name	Member since	Independent of company	Independent of shareholder	Board[3]	Audit and risk committee	Remuneration committee
Tomas Franzén	2019	yes	yes	10/10		4/4
Harri-Pekka Kaukonen	2016	yes	yes	10/10	6/6	1/1
Bertil Carlsén[1]	2023	yes	yes	9/9	5/5	1/1
Elisabetta Castiglioni[1]	2023	yes	yes	9/9	4/5	
Liselotte Hägertz Engstam	2018	yes	yes	10/10	6/6	
Katharina Mosheim	2020	yes	yes	10/10	6/6	
Gustav Moss[1]	2023	yes	yes	9/9		3/3
Endre Rangnes	2014	yes	yes	10/10		4/4
Petter Söderström[1]	2023	yes	no	9/9		3/3
Tommy Sander Aldrin[1]	2023	no	yes	9/9		
Anders Palkliint[1]	2023	no	yes	9/9		
Timo Ahopelto[2]	2017	yes	no	1/1	1/1	
Angela Mazza Teufer[2]	2021	yes	yes	1/1		
Niko Pakalén[2]	2019	yes	yes	1/1	1/1	
Robert Spinelli[2]	2022	no	yes	1/1		
Ilpo Waljus[2]	2014	no	yes	1/1		

[1] Board member as of 23 March 2023

[2] Board member until 23 March 2023

[3] One Board subgroup met nine times. Meeting fees were paid for those meetings.

All Board members elected by the AGM of Tietoevry are independent of the company and eight out of nine members elected by the AGM are independent of the company's significant shareholders. The independence of the members is evaluated at the Board's constitutive meeting. The Board members shall inform the Board if any changes in these circumstances occur, in which case their independence will be re-evaluated.

More detailed background information regarding the Board members, such as working experience, past and present positions of trust and remuneration, is presented on the company's website at www.tietoevry.com/investors.

Tasks

The main duties and working principles of the Board have been defined in a written charter. Additionally, the work of the Board is based on an annual action plan.

More specifically, the Board:

- approves the company's values, strategy and organizational structure
- defines the company's dividend policy
- approves the company's annual plan and budget and supervises their implementation
- monitors management succession, appoints and discharges the President and CEO
- decides on the President and CEO's compensation, sets annual targets and evaluates their accomplishment
- decides on the compensation of the President and CEO's immediate subordinates
- addresses the major risks and their management at least once a year
- reviews and approves interim reports, annual reports and consolidated financial statements
- reviews and approves the company's key policies
- is accountable for guiding the organization's strategy on environmental, social and governance (ESG) topics
- meets the company's auditors at least once a year without the company's management
- appoints the members and Chairpersons of the Board's committees and defines their charters
- reviews assessments of its committees as well as the President and CEO
- evaluates its own activities

Work

The Board has scheduled meetings every one to two months. Besides the Board members, the meetings are attended by the President and CEO, Chief Financial Officer (CFO) and General Counsel, who acts as secretary of the meetings. In addition to the scheduled meetings, the Chairperson shall convene the Board whenever needed as well as at the request of any of its members or the President and CEO.

Matters to be handled are prepared by the Board committees and the President and CEO. The Board receives information on the company's financial performance monthly and more detailed financial reports quarterly. Any material related to matters to be handled by the Board is provided four days prior to the meeting. Other case-specific materials are delivered at the management's initiative or the Board's request. Board members shall be informed about all significant company events immediately.

2023

- The Board convened ten times in 2023 and the average attendance was 100%.
- The Board met eight times during the year without the management present.
- The Board held one joint meeting with the auditors.
- The Board met the auditors once without the presence of the management.

Assessment

The performance of Tietoevry's Board is assessed annually, the latest assessment was carried out by a self-evaluation during autumn 2023. Assessments review the Board's knowledge of the company's operations and management, its understanding of the field of business as well as how key ESG topics are addressed. Additionally, the effectiveness of the Board work is evaluated. The SNB is informed of the results, which are also taken into consideration when the Board draws up its next annual plan.

Committees

Tietoevry's Board is assisted by two permanent committees that prepare matters for which the Board is responsible. The Board defines the charters of the committees and decides on their composition. The Board establishes temporary subgroups whenever it is needed for a specific topic. The entire Board remains responsible for the duties assigned to the permanent committees or temporary subgroups.

Remuneration Committee

Composition

The Remuneration Committee (RC) comprises of at least three non-executive directors elected by the Board. The majority of the members shall be independent of the company. The Head of HR acts as secretary of the meetings.

Based on the Board's decision, the RC was composed of the following non-executive directors who were independent of the company and of significant shareholders, except for Petter Söderström who is independent of the company and non-independent of a significant shareholder:

- Tomas Franzén (Chairperson)
- Gustav Möss
- Endre Rangnes
- Petter Söderström

Work

The committee meets regularly and at least twice a year. The Chairperson of the committee reports to the Board when applicable. The main tasks of the committee are to:

- monitor the targets of the compensation schemes, implementation of the compensation schemes, performance assessment and compensation determination
- ensure that the targets set for earning the bonuses defined in the compensation scheme are met

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- prepare a proposal for the Deputy Chairperson of the Board
- prepare a proposal on the committees (members and Chairpersons, and the duties and responsibilities of the committees)
- monitor corporate governance
- prepare a compensation proposal concerning the President and CEO and his immediate subordinates, and the principles of personnel compensation, including applicable ESG targets
- prepare for the Board option schemes and other share-based incentive schemes
- evaluate the performance of the President and CEO
- prepare the assessment of the Group Management
- prepare a proposal on the Board's charter.

2023

- The committee convened four times in 2023 and the average attendance was 100%.
- In addition to its normal responsibilities within the scope of its charter, the committee followed the functioning of short- and long-term incentive plans to ensure that they supported the achievement of the objectives as well as the development of the remuneration of the Group Executive Management.

Audit and Risk Committee

Composition

The Audit and Risk Committee (ARC) comprises at least three non-executive directors who are independent of the company and out of whom at least one member shall be independent of the significant shareholders. The Chairperson and the members are elected by the Board. At least one committee member must have expertise in accounting, bookkeeping or auditing. Tietoevry's Deputy General Counsel acts as secretary of the meetings.

In 2023, all committee members were non-executive directors who were independent of the company and of significant shareholders. All members have extensive experience in corporate management and financial issues and therefore have the expertise referred to in the Finnish Corporate Governance Code.

Based on the Board's decision, the ARC was composed of

- Harri-Pekka Kaukonen (Chairperson)
- Bertil Carlsén
- Elisabetta Castiglioni
- Liselotte Hägertz Engstam
- Katharina Mosheim

Work

The committee convenes regularly at least four times a year and meets the company's auditors, also without the company's management present. The Chairperson of the committee reports to the Board. The main tasks of the committee are to:

- review and supervise internal control – particularly the financial reporting process – and risk management
- discuss and review the interim and annual reports and the consolidated financial statements, including non-financial information, EU taxonomy and other relevant ESG reporting topics
- assess compliance with legislation, official regulations and the company's Code of Conduct
- evaluate the sufficiency of internal control and the internal audit
- examine, assess and approve the internal audit plan
- assess the appropriate coverage of risk management and monitor the efficiency of risk management
- review significant risks and unusual business events
- prepare for the Board's decision a proposal for the AGM on the nomination of external auditors and their compensation
- evaluate the external auditors' independence, assess the audit plan and examine the audit reports
- monitor the statutory audit and consult with the auditors regarding matters that should be brought to the Board's attention.

2023

- The committee convened six times in 2023 and attendance was 97.1%.
- In addition to its regular agenda, the committee followed up progress of operational KPIs in the end-to-end businesses as well as development in cybersecurity and privacy matters.

The President and CEO and operative management

Members of the Group management as at 31 December 2023[1]

Kimmo Alkio
President and CEO
Born: 1963
Nationality: Finnish
Education: BBA and Executive MBA
Joined Tietoevry in 2011

Klaus Andersen[3]
Managing Director, Tietoevry Banking
Born: 1964
Nationality: Danish
Education: Master's degree in Engineering
Joined Tietoevry in 2023

Kishore Ghadiyaram
Head of Strategy
Born: 1972
Nationality: Indian
Education: BSc. (Tech.)
Joined Tietoevry in 2008

Carsten Henke[1]
Managing Director, Tietoevry Industry
Born: 1968
Nationality: German
Education: Masters degree in Mathematics
Joined Tietoevry in 1997

Tomi Hyrylainen
Chief Financial Officer
Born: 1970
Nationality: Finnish
Education: MSc. (Econ.)
Joined Tietoevry in 2018

Ari Järvelä[1]
Managing Director, Tietoevry Care
Born: 1969
Nationality: Finnish
Education: MSc. (Eng.)
Joined Tietoevry in 2001

Satu Kiiskinen
Managing Director, Tietoevry Tech Services[2]
Born: 1965
Nationality: Finnish
Education: MSc. (Econ.)
Joined Tietoevry in 2013

Christian Pedersen
Managing Director, Tietoevry Create
Born: 1974
Nationality: Norwegian
Education: MSc. (Tech.)
Joined Tietoevry in 2014

Trond Vinje
Head of HR
Born: 1968
Nationality: Norwegian
Education: MSc. (Pol. Sci.)
Joined Tietoevry in 2015

The remuneration and more detailed background information, such as full CVs of the Group Management, are presented on the company's website.

[1] Ari Järvelä acted also as Managing Director of Tietoevry Industry until 1 November 2023. Carsten Henke was appointed as Managing Director of Tietoevry Industry as of 1 November 2023.

[2] Satu Kiiskinen acted as Managing Director of Tietoevry Transform and Johan Torsvik acted as Managing Director of Connect until 1 April 2023. These business were combined as Tietoevry Tech Services on 30 November 2022.

[3] Christian Segersven acted as Managing Director of Banking until 1 February 2023.

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Shareholdings of the Group Executive Management

Name	Shares at 31 Dec 2023	Shares at 31 Dec 2022
Kimmo Alkio	103 474	73 911
Klaus Andersen	2 476	N/A
Kishore Ghadiyaram	21 255	16 128
Carsten Henke	1 670	N/A
Tomi Hyryläinen	15 364	7 390
Ari Järvelä	22 287	16 239
Satu Kiiskinen	30 030	22 381
Christian Pedersen	15 748	8 064
Trond Vinje	38 197	32 986
Christian Segersven[1]	N/A	0
Johan Torstensson[2]	N/A	0

[1] Position ended on 1 February 2023
[2] Position ended on 1 April 2023

Internal control and risk management

Tietoevry is dedicated to maintaining a robust internal control environment and effectively managing risks to ensure the integrity of our financial reporting, safeguard our assets, and achieve our strategic objectives.

The internal control framework supports the execution of the strategy and ensures regulatory compliance. The key building blocks for the internal control are the risk management framework, financial control, internal audit and supporting policies and processes.

The objective of Tietoevry's internal control framework is to assure that operations are effective and well aligned with the strategic goals. The internal control framework is intended to ensure correct, reliable, complete and timely financial reporting and management information.

The framework endorses ethical values, good corporate governance and risk management practices. The activities related to internal control and risk management are part of Tietoevry's management practices and integrated into the business and planning processes.

Risk management framework

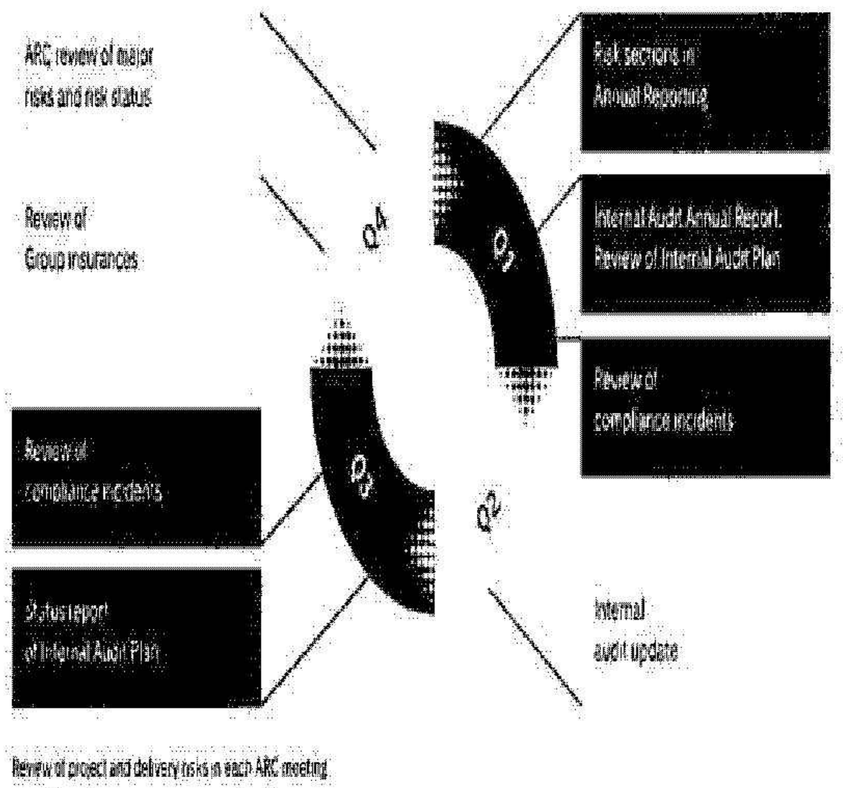
Tietoevry uses systematic risk management to develop the efficiency and control of business operations as well as their profitability and continuity. Risk management involves a thorough and systematic approach to assessing, identifying, evaluating, and analysing risks that could affect business objectives. With proper risk treatment actions, the impact and likelihood of risks are reduced.

The risk management framework consists of the risk management organization, related policies, processes, tools, and common ways of working. The risk management organization develops and maintains the company's risk management framework, including risk reporting, risk management governance and follow-up of risk exposures consisting of strategic, financial, operational, compliance and people risk. The end-to-end businesses might add business-specific supplements to fulfil their specific needs.

The risk management organization consists of the Corporate Risk Management unit, nominated Risk Managers and Business Continuity Managers in the units and key stakeholders in functions. A group-wide Risk and Resilience Forum (for Risk and Continuity activities) has been established for information sharing, setting the direction of risk and continuity management, as well as crisis management, collaboration between units and reviewing steering documents. In addition, the Risk and Resilience Forum aligns group-wide risk management, business continuity and crisis management activities and ensures company-wide deployment of the frameworks.

Tietoevry has also specified its compliance management system, including the compliance organization, steering model, and annual plan for compliance-related activities. The Group Compliance Officer is responsible for maintaining the whistleblowing channel and coordinating investigations as well as ensuring the effectiveness and functionality of the governance model for compliance work.

ANNUAL CLOCK FOR THE AUDIT AND RISK COMMITTEE



Review of project and delivery risks in each ARC meeting

Governance of risk and compliance

At Tietoevry, governance, risk, and compliance (GRC) are closely linked and consistently defined corporate policies and rules with proper controls. For instance, in the finance function, the financial reporting, compliance and risk monitoring are efficiently integrated into daily operations.

Tietoevry has invested in process automation, which is seen as a way to improve quality and reduce costs. Well-drafted policies and rules are made available to assure that the implications of automation on risk and compliance are fully understood by all parties in the organization.

Continuous development of the risk framework

The development of the Tietoevry GRC (Governance, Risk & Compliance) platform with its related framework continued during 2023. Its effectiveness is validated in business operations by means of active

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risk assessments of the company's assets, resulting in measurable risk reductions and risk management KPIs.

The Tietoevry GRC platform now comprises the following functionalities:

- Business reporting dashboards
- Risk management and improvement opportunity
- Privacy risk assessments
- Security incident management
- Audit management
- Business continuity management

The GRC platform enables online visibility to the information with Group, Business, and function and organization level dashboards, with automated notifications to stakeholders and systematic follow-up of actions.

The development of the GRC platform, risk management framework and other frameworks is carried out in close cooperation with the nominated Risk, Continuity, Security, Privacy and Quality Managers, and Business Leaders in the units, and they are approved by the Tietoevry Group Executive Management and validated by the ARC.

Financial control

The purpose of internal control over financial reporting is to ensure the correctness of financial reporting, including interim and annual reports and the compliance of financial reporting with regulatory requirements. In 2023, the company launched a new Internal Control Policy in connection with various other key controls and policy documents.

The ARC has the oversight role in Tietoevry's external financial reporting.

Financial reporting process and responsibilities

Tietoevry has a common accounting and reporting platform. Group consolidation and reporting are based on the reporting system, which facilitates common control requirements for all legal entities reporting to the Group. Tietoevry has a framework for internal controls in place, and continuously drives improvements in the common accounting and reporting platform to accommodate internal needs and new regulatory requirements.

Financial reporting consists of monthly performance reports, including all the key performance indicators, rolling forecasts and interim financial reports. These reports are reviewed together with relevant non-financial information.

Financial reports are regularly reviewed by the Finance Directors and leadership teams in the businesses, the Group Executive Management, and the Board of Directors. The follow-up is based on a thorough comparison of the actual figures with the set objectives, forecasts, and previous periods. If the figures deviate, the Group Executive Management members are responsible for initiating corrective actions.

Internal audit

The purpose of Tietoevry's Internal Audit function is to provide independent, objective assurance and advisory services designed to add value and improve Tietoevry's operations. Internal Audit functionally reports to the Audit and Risk Committee (ARC) and administratively to the Chief Financial Officer (CFO).

Core services aim at assessing and assuring the adequacy and effectiveness of risk management and internal control within Tietoevry's ecosystem. Assurance and Advice is delivered via data-driven business partnering, enabling digital end-to-end assurance and assurance by design.

Internal Audit applies annual planning and quarterly reporting cycles, approved by the ARC. In case of substantial changes affecting the risk landscape, the audit plan can be amended, and changes addressed when needed. Main input sources for planning are Risk Management, Legal and Compliance functions, Operational Excellence, external auditors as well as business management and the ARC. Services are delivered via co-sourcing with adjacent functions and area subject matter experts. This enables relevance and effectiveness, positively impacting behaviour across Tietoevry's ecosystem.

Related-party transactions

Tietoevry maintains a list of its related parties in accordance with IAS24 and discloses the required information concerning related-party transactions in the report by the Board of Directors and notes to the consolidated financial statements.

Further, the company evaluates and monitors transactions concluded between the company and its related parties and seeks to ensure that any conflicts of interest shall be taken into account in decision making. The Board of Directors has the overall responsibility to monitor the company's measures and evaluate that related-party transactions are entered into in the ordinary course of business and concluded on normal market terms.

Reporting to the Board of Directors takes place at the meeting where the financial statements are approved. The related-party transactions are summarized in note 29 of the consolidated financial statements.

Furthermore, the company has added controls into its processes and decision-making policies to identify and duly handle any transactions with related parties. Testing of customer and supplier transactions is carried out by both the company and its external auditors.

Insider administration

Tietoevry follows the EU Market Abuse Regulation (MAR) and rules of Nasdaq Helsinki and Oslo Børs. In addition, Tietoevry's Board of Directors has adopted an internal Tietoevry Insider Rule.

Tietoevry has specified that the Board of Directors and the President and CEO of the parent company Tietoevry Corporation are subject to the requirement to notify their transactions. In addition, Tietoevry has set restrictions on trading for the members of the Group Executive Management, persons participating in the preparation of interim reports and consolidated financial statements as well as other persons who are considered to receive information of a confidential and sensitive nature in their position or service.

The managers and other persons subject to trading restrictions are prohibited from dealing in Tietoevry's shares or other financial instruments during the closed period. The closed period covers 30 calendar days before the disclosure of an interim financial report or a financial statement release including the date of disclosure (= 30 + 1 days).

Tietoevry's General Counsel is in charge of insider administration and the Group Legal and Compliance team monitors compliance with the insider regulation and takes care of necessary guidance and training.

Auditors

The ARC prepares a proposal on the appointment of Tietoevry's auditors, which is then presented to the Board of Directors and finally to the AGM for its decision. The compensation paid to the auditors is decided by the AGM and assessed annually by the ARC.

The Board of Directors proposes to the AGM, in accordance with the recommendation of the ARC, that the auditor to be elected at the AGM 2024 be reimbursed according to the auditor's invoice and in compliance with the purchase principles approved by the Committee.

The Board of Directors proposes to the AGM, in accordance with the recommendation of the ARC, that the firm of authorized public accountants Deloitte Oy be re-elected as the company's auditor for the financial year 2024. The firm of authorized public accountants Deloitte Oy has notified that APA Jukka Vattulainen will act as the auditor with principal responsibility. Further, it is proposed that Deloitte Oy will be elected as the Authorized Sustainability Auditor.

Auditing

The AGM 2023 elected the firm of authorized public accountants Deloitte Oy as the company's auditor for the financial year 2023. Deloitte Oy notified the company that Authorized Public Accountant Jukka Vattulainen acts as principal auditor.

In 2023, Tietoevry Group paid the auditors a total of EUR 1.6 (1.3) million in audit fees, and a total of EUR 0.6 (0.6) million for other services.

Remuneration Report

Chairperson letter

Dear Shareholder,

On behalf of Tietoevry's Remuneration Committee, I am pleased to present our Remuneration Report 2023. The report includes the remuneration of the members of the Board of Directors and the President and CEO (the CEO) for the financial year 2023 and describes how the Remuneration Policy approved by the 2020 Annual General Meeting of Shareholders has been implemented in practice. We will present this report and our new Remuneration Policy at the 2024 Annual General Meeting for an advisory shareholder vote.

Our approach to remuneration

Our purpose as a Remuneration Committee is to ensure that remuneration plans at Tietoevry reflect our long-standing remuneration principles of aiming to attract and retain the best talent, motivate all employees and align the goals of our shareholders, executives and other stakeholders to enhance the value of the company. We reward our employees for high performance in achieving both individual and the company's objectives. Thus, we are linking remuneration to the successful execution of our strategy, driving a major renewal of the company.

Our specialization-based strategy aims to accelerate value creation in the company. The acquisition of MentorMate implemented during the year supports the company's drive for growth and strengthens our position in the digital engineering area. Specialization is also an enabler for the strategic reviews of Tietoevry Banking and Tietoevry Tech Services, which were focus areas throughout the year with preparations enabling sale or listing. These actions seek to position the company as a leading software and digital engineering player globally.

Our remuneration structure aims to reinforce and support our strategic target of driving the expansion and growth of the company. With clear targets for both short- and long-term incentives, the Board of Directors aims to support sustainable value creation for all stakeholders. Therefore, our long-term incentive plans are linked to both strategic and financial measures as well as Environmental, Social and Governance (ESG) measures.

A significant proportion of our CEO's remuneration is derived from variable pay, comprising both short- and long-term incentives. The Board of Directors aims to ensure that the remuneration is well aligned with the execution of the strategy – which is particularly important during the era of significant ongoing renewal – and the financial performance of the company.

Tietoevry's performance and remuneration in 2023

In 2023, performance was impacted by the softer market. Organic revenue growth was driven by software businesses but remained modest, at 4%, on Group level. Tietoevry delivered adjusted operating profit of EUR 358.7 million, representing somewhat lower profitability in the challenging market environment and continued high inflation. 2023 was the final year in the Performance Share Plan (PSP) 2021–2023 with earnings per share (EPS), relative total shareholder return (relative TSR) and revenue growth as performance measures. For relative TSR, Tietoevry's share was compared to relevant share index performance between 2021 and 2023. Relative TSR was between the minimum and target level set for the plan. EPS achievement was between the minimum and target level and Revenue growth was at maximum set for the plan.

In our efforts to progress further, we conducted an analysis of remuneration reporting practices in Finland and Europe. Based on this, we have made the decision to enhance our transparency levels in the reporting, that was aligned with Finnish listed companies, regarding STI and LTI targets and plans results.

The remuneration for the Board of Directors and the CEO during the financial year 2023 was executed in accordance with the 2020 Remuneration Policy. No deviations from the Remuneration Policy have been made and no remuneration of the Board of Directors or the CEO has been reclaimed or restated during the financial year 2023.

Environmental, Social and Governance measures and their link to remuneration

As part of its strategy, the company has made a long-term commitment to sustainability by increasing its focus on Environmental, Social and Governance (ESG) aspects. This was already visible in the Performance Share Plan 2022-2024 with the inclusion of key ESG measures in the plan metrics. CO_2 emission reductions and gender diversity in the form of female recruits were included also in the Performance Share Plan 2023-2025 metrics with an increased weight than in the previous plan. To emphasize the importance of these metrics, we continue to focus on them in Performance Share Plan 2024-2026. The target levels set by the Board of Directors are based on the long-term ambitions of the company and support the execution of the strategy.

On behalf of Tietoevry Remuneration Committee

Tomas Franzén
Chairperson of the Remuneration Committee

Committee members during 2023:

- Tomas Franzén
- Endre Rangnes
- Harri-Pekka Kaukonen (until the AGM on 23 March 2023)
- Petter Soderstrom (as of the AGM on 23 March 2023)
- Gustav Moss (as of the AGM on 23 March 2023)

This Remuneration Report has been prepared in accordance with the Finnish Corporate Governance Code 2020, and the requirements set forth in the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act, and the Decree of the Ministry of Finance.

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Remuneration of the Board

According to the decision of Tietoevry's AGM 2023, the annual remuneration of the Board of Directors is the following:

- EUR 133 000 to the Chairperson,
- EUR 72 000 to the Deputy Chairperson and
- EUR 54 500 to the ordinary members of the Board of Directors.

In addition to these fees, the Chairperson of a permanent Board Committee receives an annual fee of EUR 20 000 and a member of a permanent Board Committee receives an annual fee of EUR 10 000. In addition, remuneration of EUR 800 is paid to the Board members elected by the Annual General Meeting for each meeting of the Board of Directors, a permanent committee or a temporary subgroup. Further, remuneration for employee representatives elected as ordinary members of the Board of Directors will be an annual fee of EUR 15 000, and remuneration for the deputy members will be EUR 7 500. Remuneration for the employee representatives is paid in cash only.

Furthermore, the AGM 2023 decided that part of the fixed annual remuneration may be paid in the company's shares purchased from the market. An elected member of the Board of Directors may, at his/her discretion, choose to receive the fee from the following alternatives:

1. No cash, 100% in shares
2. 25% in cash, 75% in shares
3. 50% in cash, 50% in shares
4. 75% in cash, 25% in shares
5. 100% in cash, no shares.

No restrictions have been set on Board members concerning how they may assign these shares, but the company recommends that Board members should retain ownership of all the shares they have received as remuneration for as long as they serve on Tietoevry's Board.

In addition to the share remuneration, the Board members do not belong to or are not compensated with other share-based arrangements, nor do the members have any pension plans at Tietoevry, with the exception of the personnel representatives. Tietoevry executives or employees are not entitled to compensation for their Board positions or meeting attendance in the Group companies, except for the employee representatives elected as ordinary members to the parent company's Board of Directors. None of the Board members, except the personnel representatives, have an employment relationship or service contract with Tietoevry.

Compensation of individual Board members and the Board in 2023[1]

	Annual remuneration		
Name	EUR[2]	Shares[3]	Meeting based, EUR
Tomas Franzén, Chairperson Board and RC[4]	76 504	2 840	20 000
Harri-Pekka Kaukonen, Deputy Chairperson, Chairperson ARC[4]	46 022	1 707	13 600
Bertil Carlsén[4]	32 259	1 197	11 200
Elisabetta Castiglioni[5]	48 393	598	10 400
Liselotte Hägertz Engstam[5]	48 393	598	12 800
Katharina Mosheim[5]	48 393	598	12 800
Gustav Moss[4]	32 259	1 197	16 800
Endre Rangnes[4]	32 259	1 197	18 400
Petter Söderström[4]	32 259	1 197	16 800
Timo Ahopelto[6]	–	–	2 400
Angela Mazza Teufer[6]	–	–	800
Niko Pakalén[6]	–	–	3 200
Tommy Sander Aldrin, personnel rep.	15 000	–	–
Anders Palklint, personnel rep.	15 000	–	–
Thomas Slettemoen, personnel deputy rep.	7 500	–	–
Ilpo Waljus, personnel deputy rep.	7 500	–	–
In total	441 759	11 129	139 200

[1] The Board members have not received any other benefits.
[2] Gross compensation before taxes.
[3] Shares were purchased and delivered in May 2023.
[4] 50% in cash 50% in shares.
[5] 75% in cash 25% in shares.
[6] Board member until 23 March 2023.

Board of Directors' shareholdings in Tietoevry[7]

Name	At 31 Dec 2023	At 31 Dec 2022
Tomas Franzén, Chairperson Board and RC	13 544	10 704
Harri-Pekka Kaukonen, Deputy Chairperson, Chairperson ARC	11 475	9 768
Bertil Carlsén	1 197	–
Elisabetta Castiglioni	598	–
Liselotte Hägertz Engstam	4 694	4 096
Katharina Mosheim	2 365	1 767
Gustav Moss	1 197	–
Endre Rangnes	8 902	7 705
Petter Soderström	1 697	–
Timo Ahopelto	–	7 244
Angela Mazza Teufer	–	3 176
Niko Pakalén	–	2 786

[7] Corporations over which the Board members exercise control did not have shares or share-based rights on 31 December 2023.

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President and CEO's total remuneration

Kimmo Alkio	Remuneration paid during fiscal year 2023	Rewards to be paid during fiscal year 2024, STI 2023 and LTI 2021-2023
Salary	EUR 850 228	
Benefits	EUR 24 737	
Short-term incentive	EUR 991 586 (STI 2022)	EUR 404 680 (STI 2023)
Long-term incentive[1]	EUR 1 551 626 (PSP 2020–2022)	44 722 gross shares (PSP 2021–2023)
Total	EUR 3 418 177	
Fixed vs. variable compensation	26% / 74%	
Pension expenditure, voluntary defined contribution	EUR 213 285 [2]	

[1] Total gross long-term incentive reward, which is partly delivered in shares, partly converted to cash to cover income tax.

[2] Payments to defined contribution plans are recognized as expenses for the period to which they relate. After payment of the contribution the Group has no further obligations in respect of such plans.

Variable, performance-based pay, meaning short- and long-term incentives, forms a substantial part of the CEO's total remuneration. In 2023, the paid short- and long-term incentives formed 74 per cent of total compensation and the fixed annual compensation 26 per cent. The CEO is eligible for a defined contribution (DC) plan where the expenditure is 23% of the annual base salary. Retirement age is 63. No other financial benefits were paid to the CEO in 2023.

Short-term incentive

The incentive for the President and CEO is 75% of the annual base salary when the performance is at expected level and the maximum incentive is 150%. The incentive targets are annually set by the Board of Directors, and the payout is decided by the Board of Directors after the consolidated financial statements have been prepared.

CEO STI 2022 (paid in April 2023)

Reward targets	Weight	Target [1]	Incentive payout as % of on-target amount
Group revenue	25%	EUR 2 876 million	200%
Group adjusted profit (EBITA adj.)	25%	EUR 382 million	116%
Adjusted free cash flow	10%	EUR 182 million	0%
Strategy and portfolio targets [1]	40%		200%
Total	100%		159%

CEO STI 2023 (to be paid in 2024)

Reward targets	Weight	Target [1]	Incentive payout as % of on-target amount
Group revenue	25%	EUR 3 096 million	47%
Group adjusted profit (EBITA adj.)	25%	EUR 417 million	46%
Group adjusted free cash flow	10%	EUR 210 million	0%
Strategy and portfolio targets [1]	40%		100%
Total	100%		63%

CEO STI 2024 (potential reward in 2025)

Reward targets	Weight
Group revenue	25%
Group adjusted profit (EBITA adj.)	25%
Adjusted free cash flow	10%
Strategy and portfolio targets [1]	40%
Total	100%

[1] Strategic targets and priorities set by the Board of Directors

[2] Measured in constant currency (2021 FX rates), adjusted for acquisitions and divestments

[3] Measured in constant currency (2022 FX rates), adjusted for acquisitions and divestments

Long-term incentive

Share-based plans reward leadership and key employees for company growth and achievement of defined strategic targets. Tietoevry's Board of Directors decides each year separately on establishing new long-term incentive plans and sets the performance criteria for the performance share plan including the performance requirements for threshold, target and maximum levels. The performance criteria are set and evaluated for the three-year performance period. The ESG performance measures for PSP 2022–2024, PSP 2023–2025 and PSP 2024–2026 are based on the company's responsibility targets. The Board nominates the CEO to the LTI plan and decides on the shares to be allocated to him. Shares will be delivered after the consolidated financial statements have been prepared and performance criteria evaluation can be completed.

Performance Share Plan	2020–2022	2021–2023	2022–2024	2023–2025	2024–2026
Performance criteria & criteria weight					
	EPS, weight 50%	EPS, weight 33%	TSR, weight 60%	TSR, weight 80%	Relative TSR, weight 50%, Index +1% (annual) Absolute TSR, weight 30%, target level 9% (annual)
	TSR, weight 50%	TSR, weight 33%	Revenue growth, weight 30%	ESG: CO_2 emissions, weight 10%. Target level: 87% reduction from 2020 baseline by the end of 2025	ESG: CO_2 emissions, weight 10%. Target level 90% reduction from 2020 baseline by the end of 2026
		Revenue growth, weight 34%	ESG: CO_2 emission, weight 5%	ESG: Gender diversity, female new recruits, weight 10%. Target level 37% female intake in 2025	ESG: Gender diversity, female new recruits, weight 10%. Target level: 38%
			ESG: Gender diversity, weight 5%		
Achievement in total and per measure	137%	118%	n/a	n/a	n/a
	EPS: 75%	EPS: 68%			
	Relative TSR: 200%	Relative TSR: 84%			
		Revenue growth: 200%			

Share delivery	2023	2024	2025	2026	2027
The President and CEO share grants and deliveries					
Grant size of Annual Base Salary at share grant[1]	125%	125%	125%	125%	125%
Target number of gross shares	40 600	37 900	43 212	37 900	50 333
Maximum number of gross shares	81 200	75 800	86 424	75 800	100 666
Shares earned (total gross shares)[2]	55 622	44 722	n/a	n/a	n/a
Share price at delivery	27.8959	n/a	n/a	n/a	n/a

[1] The CEO LTI grant size was adjusted for PSP 2020 - 2022 and onwards by the Board to take into account the larger company size after the merger

[2] Shares earned shows the total number of shares after performance criteria achievement. Part of the reward is converted to cash payment to cover income tax

Updated information on the shares held by the President and CEO is available on the company's website at www.tietoevry.com/investors under the insider register.

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Comparative remuneration data

The information in the table below is based on Tieto's data until the merger of Tieto and EVRY on 5 December 2019. The data from 2020 and onwards represent post-merger values.

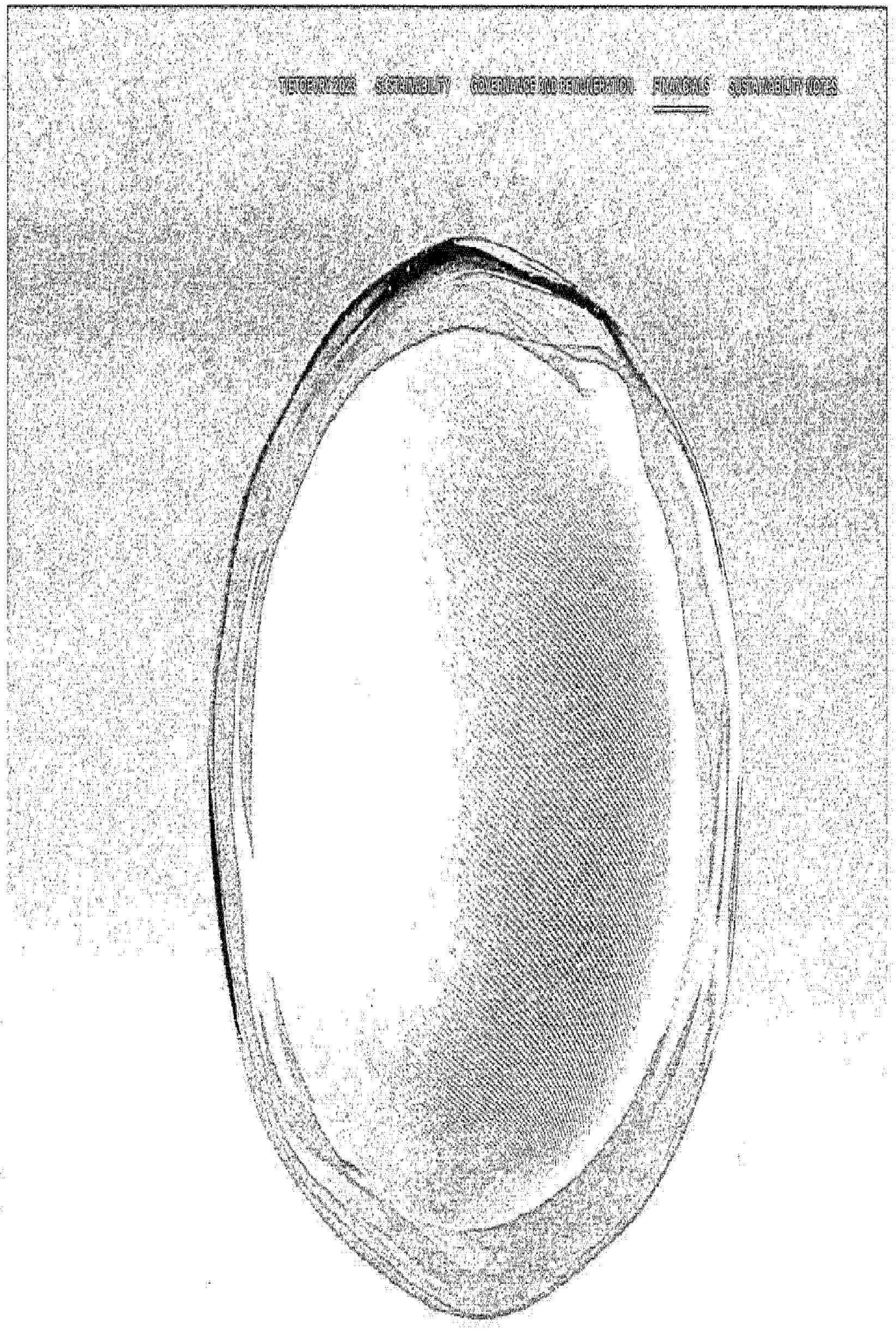
		2019	2020	2021	2022	2023
Revenue	EUR million	1 734.0	2 786.4	2 823.4	2 928.1	2 851.4
Operating profit (EBIT)	EUR million	126.8	146.7[4]	382.0[4]	266.5	255.6
Board remuneration[1]						
Chairperson	Annual remuneration, EUR	98 000	125 000	125 000	128 500	135 000
Deputy chairperson	Annual remuneration, EUR	58 000	70 000	70 000	72 000	72 000
Board member	Annual remuneration, EUR	38 000	53 000	53 000	54 500	54 500
	Meeting fee, EUR/meeting	800	800	800	800	800
Employee representative	Annual remuneration, EUR		15 000	15 000	15 000	15 000
CEO remuneration[2]	EUR	2 589 032	2 636 446	2 404 562	2 248 409	3 631 462
Employee remuneration[3]	EUR, average per employee	62 155	62 452	64 084	65 454	64 761

[1] Post-merger. In addition to these fees, the Chairperson of a permanent Board Committee receives an annual fee of EUR 20 000 and a member of a permanent Board Committee receives an annual fee of EUR 10 000. Deputy members of the personnel representatives received an annual fee of EUR 7 500.

[2] The CEO's remuneration consists of gross rewards paid during the reported year. 2019 and 2020 include a merger success bonus related to the merger of Tieto and EVRY.

[3] Employee average compensation from 2020 onwards is based on personnel expenses divided by the average number of employees, and for the other years, the end-of-year employee figures.

[4] In 2021, Tietoevry's operating profit includes EUR 104.0 million in capital gains from divestments, whereas in 2020, adjustment items included substantial costs related to integration. Eliminating all non-recurring items, adjusted operating profit (EBITA) stood at EUR 367.8 million (2021) and EUR 355.0 million (2020).



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[1] Unaudited

This Financial Statements and Report by the Board of Directors 2023 in pdf format has been published voluntarily and is not an xHTML document compliant with the ESEF (European Single Electronic Format) regulation. Tietoevry's Financial Statements and Report by the Board of Directors 2023 in accordance with ESEF regulations are available at www.tietoevry.com/investors.

About Tietoevry

Tietoevry Corporation, a public limited liability company headquartered in Finland, is a leading Nordic digital services and software company that employs over 24 000 experts globally. Tietoevry serves thousands of enterprise and public sector customers in more than 90 countries. The company's shares are listed on the NASDAQ in Helsinki and Stockholm and the Oslo Børs.

The company's services comprise software, data and digital engineering as well as managed services and transformation, and related capabilities to support customers' business renewal, innovation and efficient operations. Tietoevry's role varies from consulting and advisory, designing and building solutions to running IT operations. Competitiveness is based on solutions combining best-of-breed technologies with consulting and integration capabilities, industrialized service delivery and strong global delivery capability.

To capture the momentum of the cloud-native and software market, Tietoevry's five specialized end-to-end businesses have full operational responsibility, including go-to-market, service portfolio as well as investments and partnerships to drive scale and expansion.

The Group's segments are described in the Strategy section.

Highlights of 2023

- The company had a strong start for the year. While the softening of the IT market impacted performance in the second half of 2023, full-year profitability remained close to the previous year's level.
- The company took a major step in its transformation. The strategic reviews of Tietoevry Banking and Tech Services accelerate Tietoevry's strategy implementation, positioning the company as a leading software and digital engineering player globally.
- The strategic review of Tietoevry Tech Services progressed as planned. Tietoevry Tech Services, former Tietoevry Transform and Tietoevry Connect as a combined entity, began operating as an integrated business as from 1 April 2023.
- The build-up of the operations enabling Tietoevry Banking to function as a fully independent company was completed during the year. In February 2024, Tietoevry's Board of Directors approved a demerger plan to separate Tietoevry Banking. The Board of Directors proposes a demerger to list the Tietoevry Banking business while reserves the right for other alternatives, if in the best interest of shareholders.
- In July, the company acquired MentorMate, a digital engineering company headquartered in the USA, to support Tietoevry Create's ambition to become a leading digital engineering player globally.
- In the full year, revenue was down by 2.6%, impacted by negative currency effects. Organic[1] growth was 4%. Adjusted operating profit[2] (EBITA) was EUR 358.7 (379.2) million, representing a margin of 12.6% (13.0). Profitability was affected by higher inflation and slower growth in the second half of the year.
- Operating profit (EBIT) amounted to EUR 255.6 (266.5) million.

[1] Adjusted for currency effects and impact from acquisitions and divestments

[2] Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability

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Five-year key figures

	2023	2022	2021	2020	2019
Revenue, EUR million	2 851.4	2 928.1	2 823.4	2 786.4	1 734.0
Operating profit (EBIT), EUR million	255.6	266.5	382.0	146.7	126.8
Operating margin (EBIT), %	9.0	9.1	13.5	5.3	7.3
Adjusted[1] operating profit (EBITA[2]), EUR million	358.7	379.2	367.8	355.0	199.4
Adjusted[1] operating margin (EBITA[2]), %	12.6	13.0	13.0	12.7	11.5
Profit before taxes, EUR million	220.8	242.8	353.8	122.4	100.8
Earnings per share, EUR					
Basic	1.45	1.59	2.46	0.80	1.02
Diluted	1.45	1.59	2.46	0.80	1.02
Equity per share, EUR	13.62	14.52	15.38	13.73	14.27
Dividend per share, EUR	1.47	1.45	1.40	1.32	0.64
Capital expenditure, EUR million	85.3	92.9	80.8	83.5	51.4
Acquisitions, EUR million	156.3	–	–	0.6	175.7
Return on equity, 12-month rolling, %	10.3	10.7	16.9	5.7	7.3
Return on capital employed, 12-month rolling, %	9.8	9.9	13.7	5.2	6.9
Gearing, %	56.6	39.5	33.5	54.3	69.4
Interest-bearing net debt, EUR million	911.8	679.1	610.6	883.3	1 070.0
Equity ratio, %	46.7	51.5	51.6	45.9	44.5
Personnel on average	24 181	24 401	23 824	23 788	15 950
Personnel on 31 Dec.	24 159	24 320	24 389	23 632	24 322

[1] Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability.

[2] Profit before interests, taxes and amortization of acquisition-related intangible assets.

See calculation of key figures on page Alternative performance measures.

IT market development

Macroeconomic uncertainty resulted in weaker demand in the latter part of 2023, which primarily impacted digital engineering services as well as managed services and transformation. In digital engineering, the weaker demand impacted smaller customer engagements. In managed services and transformation, the weaker demand was visible in non-critical time and material work.

Tietoevry foresees that IT market softness will continue into 2024. The company expects its addressable market to grow by 0–2% during the current year. Tietoevry's business mix provides resilience, as specialized businesses comprise a significant proportion of long-term customer engagements. Demand for specialized software is expected to remain stable.

The shift to cloud native and data-driven technologies continues to be at the core of customers' drive for agility, productivity and competitiveness as well as IT security and data resilience. Cloud continues to be the foundation for business agility and data at the core of competitive products and operations. Demand for cloud native and data services, including Artificial Intelligence, is expected to remain high and to result in over 10% market growth in this area. In Tietoevry's view, Generative AI (GenAI) will provide diverse opportunities for enhancing productivity and competitiveness both among its customers and in its own operations. It is expected to have profound impact in both driving productivity and bringing enhanced software products and services to customers. To accelerate implementation, Tietoevry is actively working to discover and concretize the benefits of GenAI by running innovative use cases across industries together with customers and expanding its network of partners.

At the same time, customers' focus will be on user experience, driving new business opportunities and growth. Customers also continue to emphasize data sovereignty, security and business continuity as they adopt cloud technologies, with multi-cloud becoming a default. As customers remain cautious about their spending, outsourcing demand with embedded transformation to cloud is expected to continue, resulting in volume decline of up to 10% over time in traditional services. Service providers will be affected by customer demands for price reductions, limiting their ability to increase prices and margins in the short term.

Strategy

Cloud and data technologies form the foundation of driving customers' priorities to be agile, competitive, innovative and secure. The software and technology services industry is continuously advancing with data-driven and AI-enabled solutions, building on the cloud foundation. Tietoevry's strategy aims to capture cloud-native and AI-enabled market opportunities through specialized software, digital engineering and managed services businesses. Each business aims to be among the best in the market and all structural (M&A and divestments) and operational actions are considered to enable that agenda. Specialization drives a best-in-class customer proposition and attracts talent. Shareholder value creation is also supported by structural actions to unlock the value of the group and individual businesses.

Specialized businesses taking advantage of cloud, data and software market growth

Specialization forms the cornerstone of Tietoevry's strategy. The company's five specialized end-to-end businesses aim to take advantage of cloud, data and software market growth. The individual businesses have optionality to build scale and prioritize investments, reflecting the distinct market dynamics, business proposition and value potential of each. The businesses across digital engineering, software and managed services and transformation businesses are:

- **Tietoevry Create** accelerates customers' digital agenda to create competitive products and data-driven businesses utilizing design, data and cloud technologies. This is a global business with software and data engineering at its core.
- **Tietoevry Banking** is a provider of scalable Banking-as-a-Service platform and leading software products to drive digital transformation and efficiency for financial institutions.
- **Tietoevry Care** provides modular and interoperable software, reinventing Nordic health and social care to enhance the care personnel and citizen experience.
- **Tietoevry Industry** is a portfolio of distinct competitive software and data solutions across a wide variety of industry domains. These domains include the public sector, pulp & paper and utilities.
- **Tietoevry Tech Services** drives enterprise-wide transformation across customers' business processes, applications and infrastructure. Deep customer knowledge, global cloud & data competencies, automated operations and a multi-cloud platform provider with a full range of infrastructure choices at scale form its foundation.

The businesses have full operational responsibility, including go-to-market, service portfolio, delivery capabilities, compensation models, investments and partnerships.

Strategic reviews to accelerate value creation

Tietoevry aims to unlock value through strategic reviews of Tietoevry Banking and Tietoevry Tech Services.

Tietoevry Banking, operating in a distinct fintech market, is expected to scale, build investment capacity and unlock value creation opportunities in an independent setup.

With the strategic review of Tietoevry Tech Services, the company seeks to drive the competitiveness of its managed services and transformation business, operating in a market going through a major transformation. The success of businesses with an outsourcing foundation relies on the scale of capabilities and infrastructure volumes needed to drive customers' continuous efficiency, agility and modernization needs.

Repositioning Tietoevry as a leading software and digital engineering player globally

Tietoevry seeks to reposition itself as a leading software and digital engineering player globally. An active M&A agenda together with strategic reviews of Tietoevry Banking and Tietoevry Tech Services form a solid foundation for the ongoing transformation of the company.

Financial performance

	1–12/2023	1–12/2022
Revenue, EUR million	2 851.4	2 928.1
Change, %	-3	4
Organic growth, %	4	6
Operating profit (EBIT), EUR million	255.6	266.5
Operating margin (EBIT), %	9.0	9.1
Adjusted operating profit (EBITA), EUR million	358.7	379.2
Adjusted operating margin (EBITA), %	12.6	13.0
EPS, EUR	1.45	1.59
Net cash flow from operations, EUR million	266.1	276.9
Capital expenditure, EUR million	85.3	92.9

Full-year revenue decreased by 3% to EUR 2 851.4 (2 928.1) million. Exchange rates had a negative impact of EUR 206 million on revenue compared to 2022. Net impact of acquisitions and divestments was positive EUR 27 million. Organically, revenue was up by over 4%. Full-year operating profit (EBIT) amounted to EUR 255.6 (266.5) million, representing a margin of 9.0% (9.1).

Operating profit includes EUR -61.2 (-66.0) million in adjustment items. Adjusted operating profit (EBITA) stood at EUR 358.7 (379.2) million, or 12.6% (13.0) of revenue. Further details on adjustment items are available in the Alternative Performance Measures paragraph.

Depreciation and amortization amounted to EUR 152.4 (162.3) million, including EUR 59.8 (66.4) million in depreciation of right-of-use assets and EUR 91.8 (46.7) million in amortization of acquisition-related intangible assets. Net financial expenses stood at EUR 34.9 (23.7) million. Net interest expenses were EUR 34.1 (19.2) million and net gains from foreign exchange transactions EUR 3.1 (losses 1.4) million. Other financial income and expenses amounted to EUR -3.9 (-3.0) million.

Earnings per share (EPS) totalled EUR 1.45 (1.59). Adjusted earnings per share amounted to EUR 2.14 (2.36).

Cash flow and investments

Full-year net cash flow from operations amounted to EUR 266.1 (276.9) million, including an increase of EUR 95.2 million (increase of EUR 82.1 million) in net working capital.

Full-year capital expenditure totalled EUR 85.3 (92.9) million, mainly consisting of capitalized costs for the development of software, investments in data centres and business-related software licences. Capitalized costs for industry-specific software amounted to EUR 44.7 (37.2) million. Capital expenditure represented 3.0% (3.2) of revenue.

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Financial performance by segment

	Revenue, EUR million 1–12/2023	Revenue, EUR million 1–12/2022	Growth, %	Organic growth, %	Adjusted operating profit, EUR million 1–12/2023	Adjusted operating profit, EUR million 1–12/2022	Adjusted operating margin, % 1–12/2023	Adjusted operating margin, % 1–12/2022
Tietoevry Create	851.2	849.0	0	3	114.0	117.3	13.4	13.8
Tietoevry Banking	567.2	571.1	-1	10	68.9	81.3	12.1	14.2
Tietoevry Care	256.5	231.4	2	6	70.8	72.5	29.9	31.3
Tietoevry Industry	262.6	272.6	-4	5	43.4	46.0	16.5	16.9
Tietoevry Tech Services	1 074.7	1 171.4	-9	-2	85.7	88.9	8.0	7.6
Eliminations and non-allocated costs	-140.7	-167.4	–	–	-24.0	-26.8	–	–
Total	**2 851.4**	**2 928.1**	**-3**	**4**	**358.7**	**379.2**	**12.6**	**13.0**

For a comprehensive set of segment figures, see the tables section.

In **Tietoevry Create**, revenue was organically up by 3%. The year started with solid development, while in the second half of the year, growth was impacted by the weaker market, particularly for smaller customer engagements, and negative development in the Ukrainian business due to the war. Profitability improved towards the year end, following decisive management actions, incl. capacity adjustments executed to adapt to lower demand.

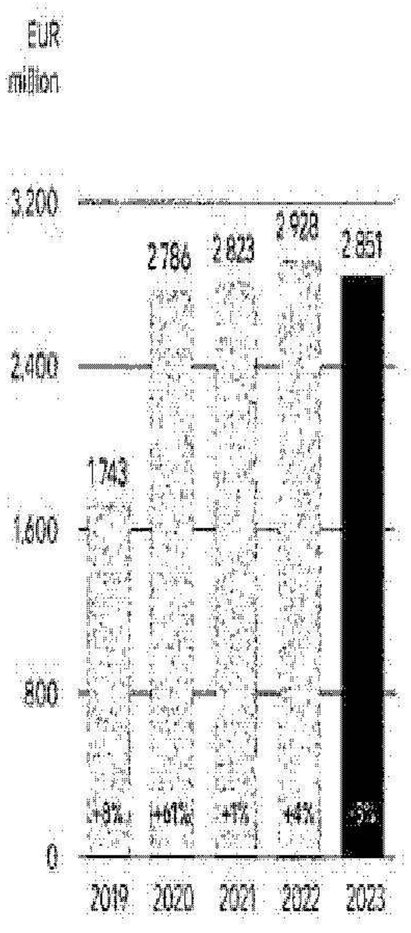
In **Tietoevry Banking**, revenue was organically up by 10%. Strong growth was driven by the Wealth, Financial Crime Prevention, Credit Cards and Banking as a Service businesses. Profitability was impacted by increased technology costs and higher costs resulting from legal separation related to the strategic review of the business. Profitability improved towards the year end, supported by price increases and efficiency measures, including technology cost optimization.

In **Tietoevry Care**, revenue was organically up by 6%, driven by strong growth in both Healthcare and Welfare. Demand in Healthcare was impacted in Finland in the second half of 2023 as customers were preparing for procurements related to the social and healthcare reform. Continued strong profitability was driven by scalable software businesses.

In **Tietoevry Industry**, revenue was organically up by 5%. Growth was solid in the Pulp and Paper business, case management software Public 360° and Data Platform Services. Profitability remained at a healthy level throughout the year.

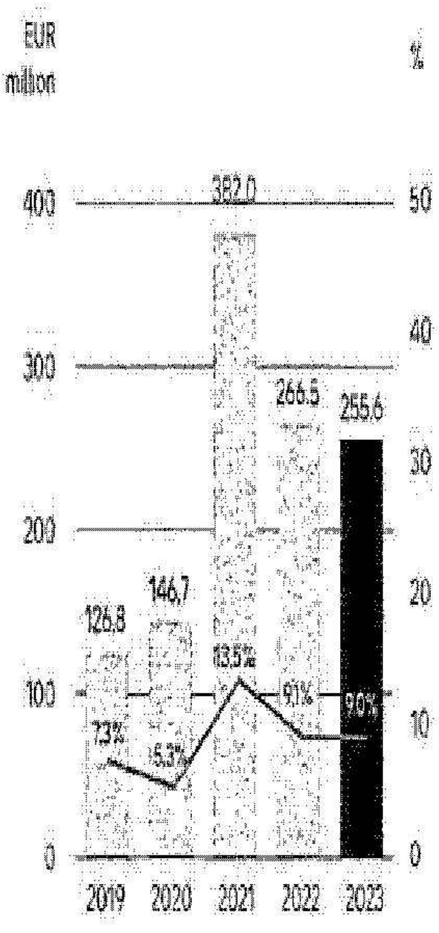
In **Tietoevry Tech Services**, revenue was organically down by 2%. Its business mix is evolving towards scalable data, application and cloud services while volumes in traditional infrastructure services and low-margin hardware and software reselling are declining. Profitability improved despite negative growth and high salary and technology cost inflation, supported by efficiency measures starting to contribute towards the year end.

REVENUE AND GROWTH



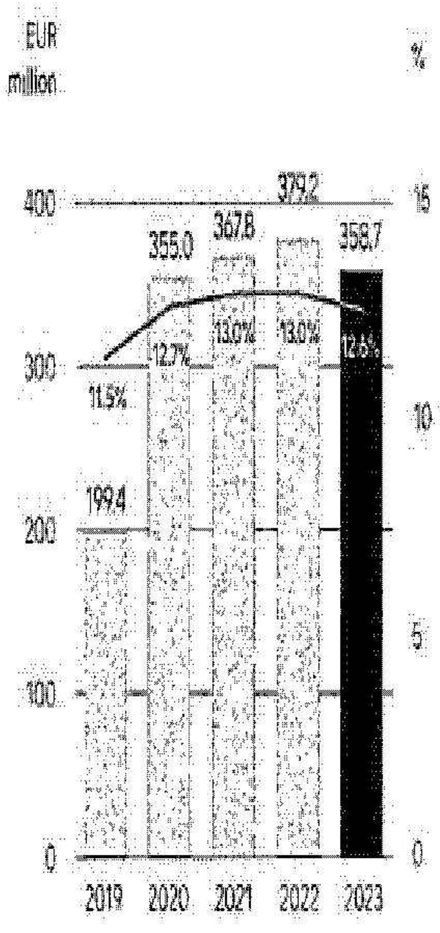
EVRY consolidated as from 5 Dec 2019

OPERATING PROFIT (EBIT) AND MARGIN



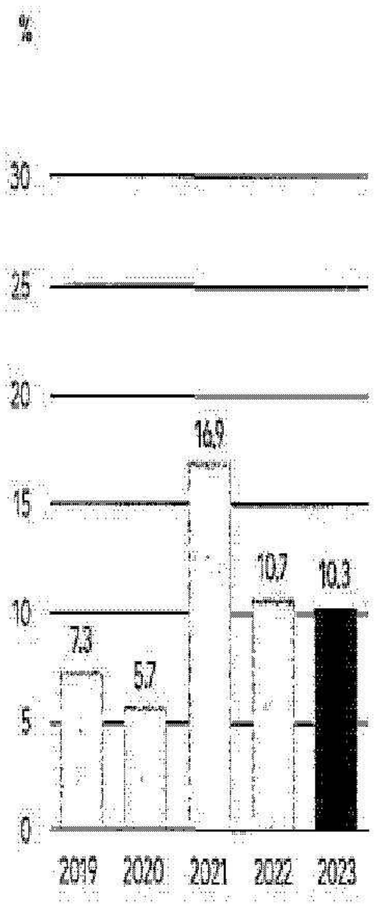
EVRY consolidated as from 5 Dec 2019

ADJUSTED OPERATING PROFIT (EBITA) AND MARGIN

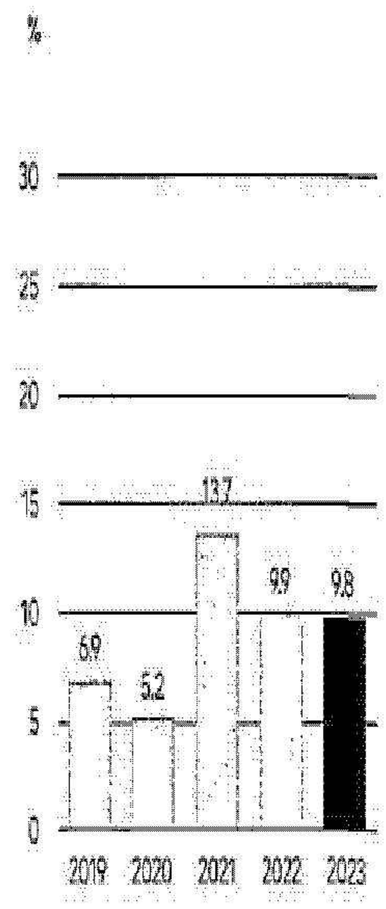


EVRY consolidated as from 5 Dec 2019

RETURN ON EQUITY, %



RETURN ON CAPITAL EMPLOYED, %



Financial position at the end of the period

The equity ratio was 46.7% (51.5). Gearing was 56.6% (39.5). Interest-bearing net debt totalled EUR 911.8 (679.1) million, including EUR 951.4 (750.0) million in interest-bearing debt, EUR 211.7 (210.0) million in lease liabilities, EUR 2.2 (2.6) million in finance lease receivables, EUR 29.5 (28.6) million in other interest-bearing receivables and EUR 219.6 (249.7) million in cash and cash equivalents.

Interest-bearing long-term liabilities amounted to EUR 701.0 (795.3) million at the end of December. The company has a EUR 300 million bond outstanding, maturing in June 2025. Additionally, interest-bearing long-term liabilities primarily comprise a new five-year term loan of EUR 174 million from OP Corporate Bank plc related to the acquisition of MentorMate, a loan from the European Investment Bank and lease liabilities of EUR 161.4 million.

Interest-bearing short-term liabilities amounted to EUR 462.2 (164.7) million, mainly comprising a EUR 100 million bond, a syndicated term loan, commercial papers, leasing liabilities and the short-term part of the term loan from the European Investment Bank.

Tietoevry's sustainability-linked revolving credit facility of EUR 250 million was not in use at the end of December. The revolving credit facility matures in 2027 and has two one-year extension options. It is linked to selected sustainability targets of Tietoevry and hence supports the company's commitments to Science Based Targets.

Investments and development

A significant part of the company's investments will be made in areas such as its own industry-specific software, data & analytics and cloud services. Tietoevry's development costs amounted to around EUR 129 (2022: 124 and 2021: 127) million, representing 4.5% (2022: 4.2% and 2021: 4.5%) of the Group's revenue, including capitalized costs.

Order backlog

Tietoevry's order backlog amounted to EUR 3 236 (3 327) million at the end of December. Of the backlog, 54% (54) is expected to be invoiced during 2024. Adjusted for the impact of exchange rates, acquisitions and divestments, the order backlog remained at the 2022 level. The order backlog includes all signed customer orders that have not been recognized as revenue, including estimates of the value of consumption-based contracts.

The significance of traditional measures for the order backlog is impacted by the shift from traditional large outsourcing agreements towards agile methods and consumption-based business models. Additionally, traditional development programmes are cut into smaller projects.

Personnel

The number of full-time employees amounted to 24 159 (24 320) at the end of December. The number of full-time employees in the global delivery centres totalled 12 789 (12 633), or 52.9% (51.9) of all personnel. The 12-month rolling employee turnover stood at 10.1% (14.4) at the end of December. Tietoevry believes that a normal attrition level is 10–12%.

Group-level salary inflation is expected to be 4–5% on average for 2024. It is offset by a number of actions, including price increases, further offshoring, automation, management of the competence pyramid and overall cost efficiency across businesses.

Group personnel and remuneration

	2023	2022	2021
Number of full-time employees, 31 December	24 159	24 320	24 389
Average number of full-time employees	24 181	24 401	23 824
12-month rolling employee turnover, %	10.1	14.4	14.6
Employee benefit expenses, EUR million	1 566	1 597	1 527

Tietoevry's Human Resources (HR) function facilitates and enables the development of the company's workforce. It also ensures that the company's practices and employee experience improve in line with market changes. The function is led by the Head of HR, while the five business HR leads are responsible for business-specific HR operations and agendas. The company supports freedom of association and collective bargaining as defined in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and stated in Tietoevry's Code of Conduct. European Works Councils (EWC) are bodies representing European employees. Tietoevry's management works constructively with the employee organizations through both the EWC and local works councils and unions to consult on any significant decision at a European level.

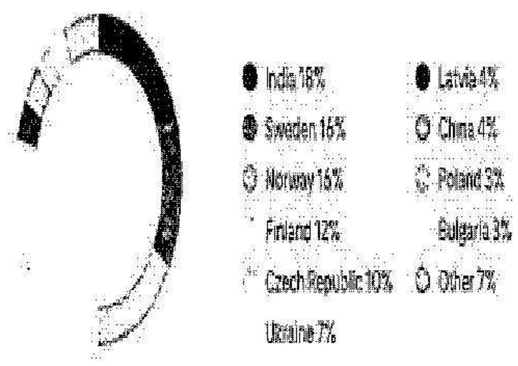
Tietoevry invests in the competence development of its employees. Curiosity and lifelong learning are crucial aspects of the company's culture and and a key to success in the dynamic IT industry. The company's development and performance management framework, MyGrowth, continues to support personal and professional growth through dynamic goal setting, continuous feedback, and frequent development conversations.

Diversity and inclusion is a key area in Tietoevry's long-term sustainability plan. The Code of Conduct and the Diversity and Inclusion Charter outline the commitment and principles for diversity and inclusion at Tietoevry. The company's five end-to-end businesses implement diversity and inclusion in their respective units and teams, and each manager ensures diversity in their teams. The overall responsibility for ensuring a diverse workforce where people feel included lies with the CEO and the Group Executive Management. During 2023, a specific audit, with a focus on gender diversity in recruitment, was conducted by the Group Risk Management unit and Internal Audit Team. The results were analysed per business unit and related roadmaps with development actions created.

Employee engagement activities are followed up through OurVoice, an employee engagement survey. In the survey, employees provide feedback on three areas that drive engagement: collaboration, growth opportunities, and leadership. The employee engagement score remained at the previous year's level at 82/100.

More about the company's sustainable practices and achievements in the section Non-financial information.

PERSONNEL BY COUNTRY



Performance in 2024

Tietoevry anticipates that the business mix of the company and long-term contracts provide resilience in uncertain times while visibility to the full year is relatively low. Tietoevry expects its organic growth to be in the range of 0–3% in 2024. The lower end of the range assumes that market uncertainty will continue in the second half of the year whereas the upper end assumes that the market will gradually pick up during the year.

Mitigating high inflation

The company estimates its full-year adjusted operating margin to be 12.0–13.0%, partly depending on the outcome of growth. Continued high inflation is anticipated to constrain profitability improvement. The company estimates salary inflation to be 4–5% on average for 2024. Tietoevry is also impacted by overall high cost inflation, visible in items such as subcontracting, technology costs, premises, electricity and software licences. The negative impact is mitigated by a number of actions including price increases, further offshoring, automation, management of the competence pyramid and overall cost efficiency across businesses.

Ongoing efficiency measures continue to contribute to profitability

Execution of efficiency measures in Tietoevry Tech Services, Create and Banking is expected to support profitability in 2024. In 2024, one-time costs are expected to be around 1% of revenue. Additionally, costs for strategic reviews, including transaction costs, legal separation costs, refinancing costs and costs for operational simplification and efficiency measures in Tietoevry Tech Services, are estimated to be in total 1.5–2% of Group revenue. Of these costs, 1.2 percentage points had materialized by the end of 2023.

Major agreements

Tietoevry has signed a number of new agreements during the period with customers across all the businesses. However, according to the terms and conditions of these agreements, Tietoevry is not able to disclose most of the contracts.

In January, Goodyear decided to extend its partnership with Tietoevry Create. Tietoevry has been a trusted partner for Goodyear, a global tyre manufacturer, for five years and the partnership with the Proactive Solutions and Fleets Europe unit is now extended. Tietoevry will provide support in the development of state-of-the-art fleet and tyre management solutions and help to improve the efficiency, sustainability and competitiveness of Goodyear's customers, such as commercial fleet operators, by lowering downtime, costs and emissions. Goodyear will be provided with engineering and operation/ operating services from multiple locations in Eastern Europe.

In January, Tietoevry Banking entered into an extended agreement with Sparebanken Vest for the delivery of payment and core banking services until the end of 2027 with the option for two additional years. The agreement also includes the delivery of services related to Financial Crime Prevention and Card solutions. Sparebanken Vest is an independent listed financial group headquartered in Bergen, Norway.

In January, Tietoevry Create and ASFINAG renewed the SAP frame agreement for another year. ASFINAG, owned by the state of Austria, focuses on planning, funding, building, maintaining and operating motorways and expressways in Austria. Tietoevry will support ASFINAG in running, maintaining and extending their internal SAP system. The continuing transition to SAP S/4 will be a focus area during 2023.

In January, Corteva, an agriscience company based in Switzerland, prolonged its co-operation agreement with Tietoevry's Group company Infopulse to scale its software development. Under the contract with an estimated revenue of over EUR 2 million, the client will work hand in hand with a dedicated team of Infopulse's engineers, subject matter experts as well as experts in digital agronomy, smart farming and e-agriculture. The planned 12-month project aims to help farmers grow their products more efficiently, cultivating sustainable agricultural practices.

In January, If Insurance decided to extend their comprehensive IT infrastructure agreement with Tietoevry Connect (currently part of Tietoevry Tech Services). The partnership builds on a long-lasting relationship, accelerating the customer's cloud modernization agenda. The new agreement extends over five years with an option for a further two years and has a total order value of SEK 1 billion. The delivery covers IT infrastructure, including workplace services for about 7 300 employees. The long-term relationship builds on trust, transparency and deliveries that meet high demands for stability and security.

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In January, Arek, a service provider for pension companies in Finland, prolonged its existing six-year agreement with Tietoevry Connect. Tietoevry will continue as its IT partner in infrastructure services and enable high service availability for Arek's customers.

In February, Loomis Automatia, based in Finland, awarded Tietoevry Connect and Tietoevry Create a new five-year agreement, as a continuation to long-term collaboration. The agreement covers three areas: infrastructure services, continuous services for ATMs and payment delivery services. The procurement placed high requirements on efficiency, quality and security improvements with a view to Loomis Automatia being able to provide and develop high-quality services for Finnish customers also in the future.

In February, Tietoevry Industry concluded an agreement with the Norwegian Tax Authority on data cleansing services for private businesses. The agreement will provide Tietoevry with an opportunity to sell Norwegian population register services to private businesses – and use of the population register will help customers ensure good data quality. Tietoevry was chosen as one of four providers of data cleansing services for private companies that do not have access to a national register identifier, following a tender announced by The Norwegian Tax Authority in the autumn of 2022. Tietoevry received the highest score for service content and quality of the solution. The value of the agreement is EUR 4 million.

In March, Tietoevry Care was awarded a five-year agreement for a social care business system covering both elderly and family care in Botkyrka municipality, Sweden. Botkyrka municipality has around 95 000 citizens. The social care system solution will deliver a broad range of functionality to support the municipality's social care, and thanks to its high degree of automation and efficiency it will contribute to equal treatment of citizens involved in the processes in its scope. The social care business systems will be delivered as a service and will involve about 1 700 users in Botkyrka municipality.

In March, Kanta-Häme became the 12th wellbeing services county in Finland to use Tietoevry Care's Health Data Platform. The platform offers multiple applications supporting care personnel, such as the Patient 360° application. Patient 360° gathers data from different hospital information systems and gives doctors a holistic view on patients to provide the right care. Patient safety is a priority, and the use of this platform enhances quality of care for both healthcare staff and patients. The Health Data Platform also meets the health and social care data privacy and security requirements (CE marked).

In March, Customs Finland chose Tietoevry Industry to build their new case and document management system based on Public 360° as a joint effort between Tietoevry, Valtori (Government ICT Centre) and the customer. Public 360° offers a centralized solution for the entire lifecycle management of Customs Finland's administrative and authority-related cases and documents. The solution environment is intended for the data processing of security classified content. This contract includes a fixed three-year period.

During the first quarter, Tietoevry Transform (currently part of Tietoevry Tech Services) started a new project with Telia Finance (part of Telia Company). Telia Finance chose Tietoevry, providing services in collaboration with a partner, at the end of 2022 to support the migration and transformation of a mission-critical application serving as the company's finance engine. It is planned that the migrated solution, fit for Telia Finance's modern vision and business needs, will go live in the third quarter of 2025.

In May, Tietoevry Care was awarded a contract to deliver a social care system for Family Care in Lund municipality, the third biggest municipality in the region of Skåne and a long-term customer of Tietoevry.

The four-year contract, with an option to prolong up to a total of 12 years, is based on a Software as a Service model, a change from the current on-premise model, and contains a number of new functionalities for the municipality. Previously, Tietoevry won a similar procurement for Elderly Care in Lund in 2022.

In May, Helse Midt-Norge RHF (The Central Norway Regional Health Authority) decided to extend its application operations agreement with Tietoevry Care for another 18 months to secure stable operations. The applications include Patient Administration, Open Framework, Laboratory Requisitions and Responses (RoS) and Patient Journal Intensive Care (PICIS).

In May, Tietoevry Industry and Hamar kommune made an agreement on data services. The client aims to use technology to create value from data and enable Hamar kommune to realize a smart data hub to become more insight-driven in its operations and services towards citizens. The services are provided in a partnership combining technology, design and legal services. The project involves ten other municipalities and seven intermunicipal agencies, having the option of purchasing this solution. Upon the completion of this innovation project, Tietoevry will own proprietary rights to the developed software.

In June, Tietoevry Industry and Göteborg Energi made an agreement on a new output management solution for a billing system that is being installed. The agreement includes the entire output solution, covering, among other things, digital mailboxes, EDI invoices, printed invoices – and the future invoice, Live Invoice, as an option. Göteborg Energi made high demands on solution functionalities with improved customer experience and environmental adaptations. Tietoevry provides Göteborg Energi with a cost-effective service with high delivery precision and security. The agreement is valid for four years with an option of four additional years. The value of the agreement for the first four years is close to EUR 5 million.

In June, Tietoevry Create and Offshore Norge, an employer and industry organization for companies with activities related to the Norwegian Continental Shelf (NCS), made a three-year agreement on delivering a material management software portfolio and application maintenance. Tietoevry will support the client in developing and integrating efficient supply chain and inventory management solutions for operators and suppliers across the NCS. Furthermore, the ambitions of this collaboration include ensuring a sustainable future for document sharing, equipment management and surplus handling.

In June, Tietoevry Care signed a six-year contract with the municipality of Örnsköldsvik, the second largest municipality in the Västernorrland region in Sweden with approximately 55 000 citizens. The contract covers the social care system Procapita, and Lifecare for elderly and family care. The agreement includes extensions to the current contract, and through new functions, the customer will be able to streamline processes and operations more effectively, adding value for both the staff and inhabitants of Örnskoldsvik.

In June, the wellbeing services county of Ostrobothnia in Finland chose Tietoevry Care's Lifecare as its new client and patient information system. Lifecare will be used in Ostrobothnia's social and primary healthcare and in specialized medical care. The open data model adapts to the customer's various workflows and enables the exploitation of both clinical and operational information, e.g. with the use of Artificial Intelligence. The shared client and patient information system supports the development of services in Ostrobothnia and healthcare professionals will be able to focus on caring for patients and providing seamless health and social care services.

In June, Tietoevry Tech Services won two public tenders with Oslo municipality and signed two new contracts in Norway for the company's Unit4 ERP solution. The new four-year agreements, with an option for annual extension for additional four years, have a total contract value of NOK 280 million. The client foresees that Unit4 will be an important part of its resource planning and business management.

In July, Tietoevry Create was chosen as the digitalization partner for an IT integration initiative at the Heinzel Group. Heinzel Group will take over UPM Kymmene Austria and its subsidiaries in Steyrermühl (Austria) as from 1 January 2024. The plant is planned to be developed as a centre for sustainable packaging papers and renewable energies starting from 2024. With its paper industry expertise, Tietoevry was chosen as the partner for the IT integration into the Heinzel Group and will deliver SAP implementation services.

In August, Tietoevry Create signed a four-year agreement on application maintenance and development with Flytoget (Airport Express). Tietoevry will support the client in maintaining and developing their applications, mobile apps for ticket sales and customer service.

In August, Tietoevry Banking signed a contract with The Savings Banks Group Finland to renew the customer's lending platform. Tietoevry Banking's Lending Suite, the leading credit solution in the Nordic markets, will serve as the foundation of the platform renewal. This strategic partnership is part of a broader initiative by The Savings Banks Group to invest in shaping the future of its operations and creating next-generation IT solutions. The agreement with Tietoevry Banking spans over ten years: an initial three-year setup followed by seven years of continuous services.

In August, Tietoevry Care signed an agreement with Örebro Municipality to deliver the market's most modern and comprehensive operational support system for social welfare. Örebro Municipality, with around 158 000 residents, has entered a new co-operation agreement with Tietoevry for the delivery of Lifecare, a modern and complete solution for social services. The agreement will be effective from 1 January 2024 for a period of six years, with an option for a six-year extension. The advantages for Örebro Municipality and its residents include a world-class user experience for the staff, and the system also raises the bar for what the citizens can expect in terms of services, participation and transparency.

In September, Tietoevry Tech Services signed a significant agreement for modern cloud technologies with DigiFinland to enable secure, scalable, and flexible digital development. The scope of the agreement is extensive and includes service desk, service governance, capacity and cloud services, cybersecurity services, consulting services, and an option for end-user services. The value of the agreement is EUR 21 million over the seven-year contract period.

In September, Tietoevry Tech Services signed a new three-year contract with its existing customer Haugen-Gruppen Nordic. The contract covers management and operation of server infrastructure and core applications, a network for the customer's several locations as well as cloud and security advisory services. The contract has a total value of NOK 18.5 million.

In September, the wellbeing services county of Central Finland adopted Tietoevry Care's partnership model to implement high-quality and cost-effective health and social services. The model offers customers an opportunity to influence the contents, priorities and implementation schedule of upcoming features and functionalities in Lifecare, and hence enables faster system development. In the partnership model, the development of the Lifecare client and patient information system is carried out in cooperation with the existing Finnish wellbeing services counties based on the needs of their health and social care professionals. The South Karelia, South Ostrobothnia, Kanta-Häme, Central Ostrobothnia, Kymenlaakso, Päijat-Häme and Satakunta counties have been involved in the model since 2021. The eight wellbeing services counties serve about 1.4 million people in Finland.

During 2023, several wellbeing services counties in Finland started using Tietoevry Care's data platform. The platform optimizes knowledge-based management and helps to improve the availability and effectiveness of care. For example, the Western Uusimaa and the Kanta-Häme Wellbeing Services Counties are among the 12 counties currently utilizing the data platform. It helps counties to estimate the need for their services by combining data from various systems and sources into a single domain, with the latest analytics tools available for generating insights. It optimizes the use of data to support faster decision-making, saves care professionals' time and helps to facilitate their work, as they no longer need to collect the data manually. It also provides much-needed cost savings in the dire economic situation.

Tietoevry Create and Gassco are developing the next generation of GBS, Gassco Booking System, and GMP, Gassco Maintenance Planning, as part of the Application Management agreement that Tietoevry Create has with Gassco. Gassco is responsible for transporting gas from the Norwegian continental shelf through an extensive pipeline network to Europe and these solutions are essential for handling the European energy supply. Tietoevry Create is developing, managing and extending the applications in close collaboration with the customer.

In October, the City of Stockholm prolonged the agreement with Tietoevry Industry on the Edlevo Student Administration product for the City of Stockholm's School Platform. The product was initially taken into use in 2015 with a view to enhancing administrative processes for school administrators and making administrative data available to other systems within education. The extension is valid until end of 2026.

In October, Cambio Healthcare Systems, the leading Scandinavian supplier of e-health solutions, further deepened its cooperation with Tietoevry as its IT partner in the area of application operations. Tietoevry Tech Services will supply the customer with technical teams with deep understanding of Cambio's software for operational services. Following a long-lasting partnership, the parties have reached a co-operation model in which Tietoevry Tech Services supplies infrastructure and services to Cambio, which in turn supplies healthcare information systems to nine regions in Sweden.

In October, Tietoevry Create signed a contract extension for maintenance and development of all LocalTapiola's Contact Center area solutions. The contract also includes a modernization project to introduce a number of new features for LocalTapiola's Meeting Scheduling and Video Meeting Solutions. Over 2 000 of LocalTapiola's employees currently utilize these solutions, which include voice channel, secure mail, chat, chatbot, meeting scheduling and video meeting.

In November, Tietoevry Tech Services and LocalTapiola entered into a new collaboration agreement, focusing on enhanced quality and cost effectiveness by leveraging modernization and cloud services. This new agreement builds upon and reinforces the long-standing strategic ICT partnership and supports the implementation of LocalTapiola's strategy. The contract covers a five-year period with a total value of EUR 44 million. LocalTapiola also has the option to extend the contract for two additional years. The agreement

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demonstrates Tietoevry's strong customer-centric approach and ability to implement comprehensive ICT modernization that supports LocalTapiola's business needs.

In November, the Wellbeing Services County of North Ostrobothnia chose Tietoevry Care to consolidate 14 separate Electronic Health records instances into one centralized solution. Furthermore, the system will be updated to the newest Lifecare version. The consolidation will enhance usability for end-users via simpler maintenance and troubleshooting. Maintaining one central system is also more cost efficient and secure. Value of the agreement is EUR 4 million.

In December, the Eco-Lighthouse Foundation signed a contract with Tietoevry Create to further develop the foundation's Eco-Lighthouse Portal. Over 10 000 businesses, ranging from small and medium-sized individual enterprises to large corporations and municipalities, are certified by Eco-Lighthouse. Eco-Lighthouse certification is recognized by authorities for public procurement and approved as environmental documentation in tender competitions. The solution supporting the foundation's work and customer interaction has been developed and maintained by Tietoevry Create. The duration of the frame agreement is three years with options to extend.

In December, the company announced that Tietoevry Banking won a Nordic Tier 1-bank contract to deliver card issuing and payments software solutions. Tietoevry Banking has a mandate to undertake a major overhaul of the card issuing and payments infrastructure. The company will deliver a market-leading SaaS solution that will enable a wide range of modern payment services including credit and debit cards for households and corporate clients and digital wallets. Specifically, Tietoevry Banking will upgrade the Card Management System for their client's entire portfolio of more than 5 million cards which are used for around 200 million transactions on a monthly basis.

In December, Norion Bank chose Tietoevry Industry to deliver a Multichannel solution across the Nordic countries and Germany. Collector Bank, currently Norion Bank (following a name change in 2023), has been Tietoevry's customer since 2015. The client's robust confidence in Tietoevry is largely attributed to effective support and the delivery teams that have worked consultatively and proactively with Norion Bank.

In December, Tolletaten extended its agreements with Tietoevry Industry on network delivery, utilizing Tietoevry Industry's BIX – Business Information Exchange solutions. Through the agreements, Tietoevry is supporting the handling of all customs declarations between businesses and the Norwegian customs authorities – in practice, all import and export of goods across the Norwegian border. The agreement is critical to the society and the customer has set very high requirements for uptime. In 2023, Tietoevry delivered 100% uptime.

In December, Tietoevry Tech Services made a new agreement with AFRY AB. The agreement, covering IT outsourcing and introducing AIOps/DigiOps for efficient platform management, ensures flexible and scalable services to support growth and helps AFRY obtain a cost-efficient, modern and productive workplace. The partnership covers management and support for IT services to AFRY's global IT organization worldwide.

In December, Gassco made several purchase orders based on the IT main agreement with Tietoevry within different consulting areas: network and security, server and datacenter, service desk, OT (Operational Technology) application operations, cloud and hardware/software deliveries. The orders were made for deliveries in 2024. After 20 years of partnership, the scope of the collaboration between Gassco and Tietoevry has expanded, proving the ability to adapt, innovate, develop and collaborate together, and providing Gassco's owner, partners and customers with increased opportunities for safe and stable operation of Norway's gas deliveries.

In December, Tietoevry Create expanded its foothold in consulting and design for social and healthcare services by winning a tender for professional services, organized by DigiFinland. The call for tenders included two areas: procurements, agreements, benefit indicators, a business model and a pricing model, as well as design, service design and joint development. The procurement was put out to tender under the Hansel IT consulting 2023–2028 DPS framework agreement. Tietoevry Create was selected as the primary partner as its proposals received the best ratings for expertise and team interviews. Tietoevry Create's extensive expertise in the design of social and healthcare services and customer-focused design played a decisive role.

Changes in Group structure

Tietoevry established new companies in countries such as Romania and Malaysia during the year. Furthermore, new companies related to the strategic reviews of Tietoevry Banking and Tietoevry Tech Services were established in Estonia, Finland, India, Latvia, Lithuania, Norway, Poland and Sweden. Tietoevry acquired MentorMate, LLC in the US, MentorMate Bulgaria EOOD and MentorMate Paraguay S.R.L. in July.

Branches

The Group has branches in France, Latvia, Norway, Ukraine and Sweden.

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Non-financial information

This section describes Tietoevry's sustainability activities as required by Chapter 3a of the Finnish Accounting Act on non-financial information (NFI). The linkages between NFI areas and Tietoevry's sustainability focus areas are identified in the chart describing policies and processes. More information is available in the Sustainability Report, which is partly assured by an external partner.

Tietoevry's business model

The company's services comprise software and digital engineering as well as managed services and transformation, and related capabilities to support customers' business renewal, innovation and efficient operations. Tietoevry's role varies from consulting and advisory, designing and building solutions to running IT operations. Competitiveness is based on solutions combining best-of-breed technologies with consulting and integration capabilities, industrialized service delivery and strong global delivery capability.

To capture the momentum of the cloud-native and software market, Tietoevry's five specialized end-to-end businesses have full operational responsibility, including go-to-market, service portfolio as well as investments and partnerships to drive scale and expansion.

Management of NFI topics

Tietoevry's highest governance body, the Board of Directors, is accountable for guiding the company strategy on environmental, social and governance issues. Decision-making on and oversight of the management of Tietoevry's impact is delegated to Tietoevry's Sustainability Steering Group (SSG), which reports at regular intervals to the Group Executive Management and the Board. The SSG is chaired by the Chief Sustainability Officer and represents different Tietoevry functions and units, with many members from the Group Executive Management (GEM).

The SSG is responsible for preparing the sustainability section of Tietoevry's annual report. The Audit and Risk Committee (ARC) of the Board reviews the NFI on an annual basis, including reviewing performance against sustainability goals and the management of sustainability-related risks. Operational sustainability work is facilitated by the company's Sustainability Team led by the Chief Sustainability Officer, who is also responsible for Tietoevry's sustainability policies and processes.

During 2023, Tietoevry's management and the Board formally reviewed and discussed sustainability-related topics on six occasions. For example, the Corporate Sustainability Reporting Directive (CSRD) and its implications for Tietoevry was presented to the management in September and to the Board in June and December. Other topics discussed were, for example, sustainability-related risks, the company's societal engagements and the Group's new long-term sustainability plan, which was developed during the year. Review of operational and business-oriented sustainability topics is delegated to the SSG, which meets at a minimum every second month.

In 2020, Tietoevry launched its Sustainability Strategy: Game Plan 2023, supported by a materiality analysis to identify and prioritize the most important sustainability topics. This analysis continued to form the basis for the company's sustainability strategy and the reporting in accordance with GRI Standards. The strategy is twofold: it focuses both on the continuous development of Tietoevry's responsible operations, and on the business impact opportunities that the company has together with its customers.

Responsible operations consist of three key themes: climate action, ethical conduct, and an exciting place to work. Each theme includes publicly stated goals, and the related action plans, implementation and reporting are managed by the designated responsibility area owners and data partners. The goals and results for responsible operations in 2023 are presented further down in this section. Please note that additional sustainability-related goals are presented in the Sustainability report. The business impact opportunities include a range of solutions and services that can improve customers' sustainability performance and create a positive impact on society. For example, development of ethical software and helping customers to optimize their production and logistics, as well as providing support in the re-use and recycling of material. These opportunities are driven by each of Tietoevry's five businesses and supported by the Sustainability Team. The Sustainability Strategy 2023 is managed according to Tietoevry's sustainability management process, which follows the United Nations (UN) Global Compact Management Model and the GRI Standards. Linkages to the UN Sustainable Development Goals, which are considered a strategic tool in enabling corporations to contribute to a more sustainable society, are established by applying principled prioritization. The management of the responsibility areas, as defined in the strategy – including policies, processes, due diligence and escalation channels – is illustrated in the chart in this section.

2023 was the final year for the company's Sustainability Strategy, launched in 2020, although certain goals extend beyond the set timeframe. Tietoevry is making good progress towards most of the goals while the work to meet those with a longer time horizon continues. Results for each sustainability area are introduced in a separate table in this section. The Sustainability report provides comments and reflections on the performance concerning the Sustainability Strategy: Game Plan 2023. Tietoevry has initiated a project to create a new value-driven long-term plan for the Group, grounded in each of the end-to-end businesses. The forthcoming long-term plan is scheduled for approval by the management and presentation to the Board in the early part of 2024, followed by external publication. Several members of the management have been involved in the development of the new long-term plan.

Tietoevry's ethical guidelines are summarized in the Code of Conduct policy, which applies to all employees and company representatives of Tietoevry, and in a separate Supplier Code of Conduct rule applied to any third party contributing to the company's services, products, and other business activities. Both documents are based on the UN Global Compact, the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and ISO 14001. The policies encompass all areas of responsibility, interconnected with other policies addressing specific topics and detailed rules. They address legal, certification, and best-practice requirements and undergo annual reviews.

Tietoevry

Tietoevry has a Group-wide internal whistleblowing channel which is also available to external parties and other stakeholders, such as customers and suppliers. The Tietoevry Whistleblowing Channel is operated by an external service provider. Whistleblowing notifications concerning matters such as possible Code of Conduct violations or a serious risk to the life, health or safety of persons, or to the environment, can be submitted anonymously through a protected digital platform. Cases of a severe nature, possibly leading to customer trust loss and penalties, non-compliance with regulations like GDPR or serious nature are also referred to the Escalation Committee which consists of the Group Compliance Officer, Head of Risk Management and Internal Audit and Head of Corporate Governance. Compliance and M&A. Head of Legal and Compliance relates to managers who are members of the Board of Directors will be informed. If a whistleblower notification involves the CEO - the Chair of the Audit and Risk Committee is informed. The company has established routines for ensuring compliance with regulations like GDPR, such as customer's and suppliers' rights to access, rectify and erase personal data.

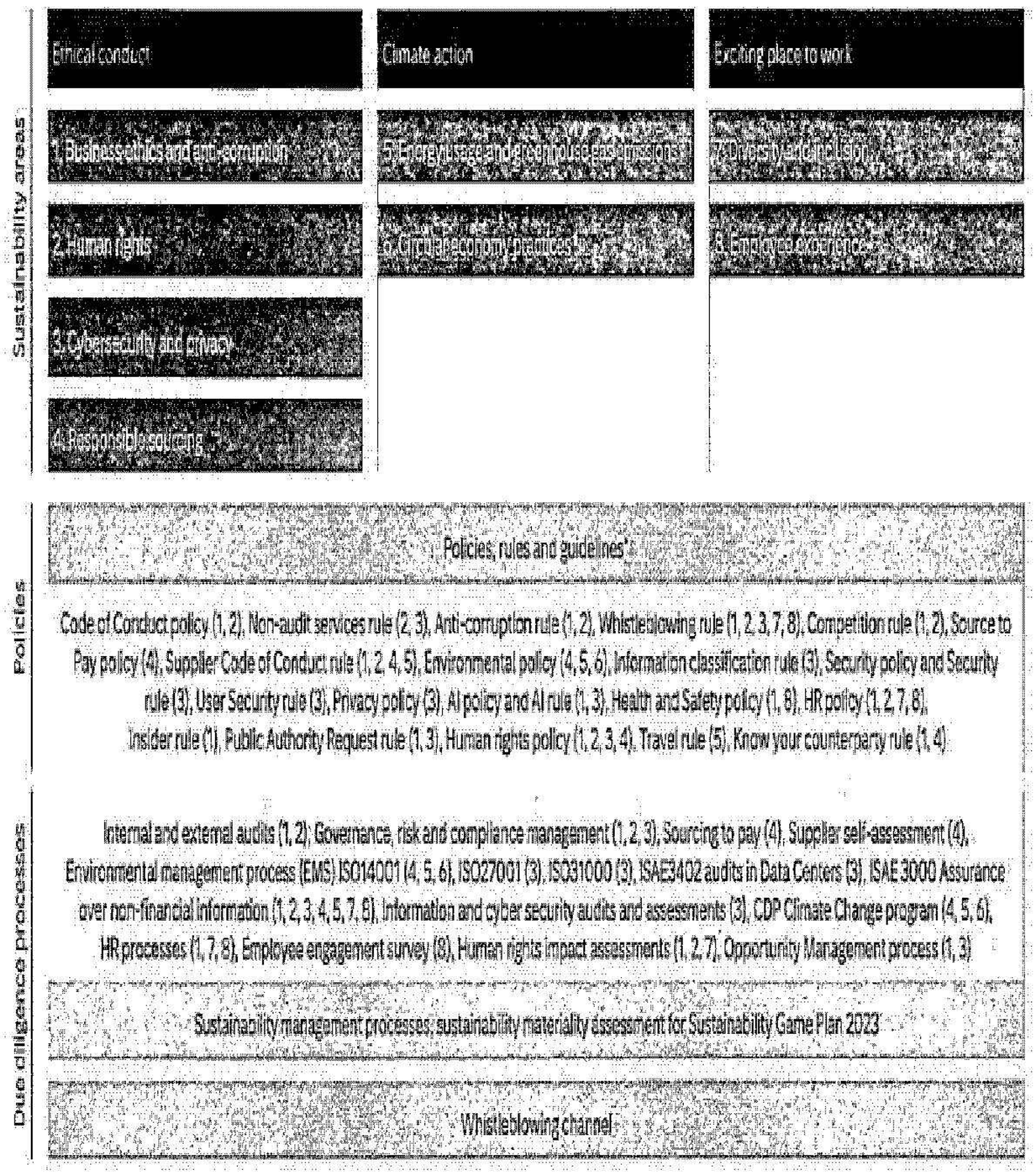
Tietoevry identifies ESG-related risks as both potential adverse effects on the company's financial performance resulting from external influences. This encompasses reputational considerations where from its activities across the value chain, as well as adverse effects on the community's financial performance resulting from lower sustainability index scores or audit findings/observations. Non-compliance with regulations like GDPR, negative publicity leading to customer trust loss and penalties, non-compliance with health, work, corporate or serious nature are also referred to the Escalation Committee which consists of the Group Compliance Officer, Head of Risk Management and Internal Audit and Head of Corporate Governance. Compliance and M&A. Head of Legal and Compliance relates to managers who are members of the Board of Directors will be informed. If a whistleblower notification involves the CEO - the Chair of the Audit and Risk Committee is informed. The company has established routines for ensuring compliance with regulations like GDPR, such as customer's and suppliers' rights to access, rectify and erase personal data.

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Physical climate change impacts, such as changes in precipitation, volumes of snow and ice, rise in sea level, hurricanes, and cyclones as well as access to natural resources, may have an impact on Tietoevry or on strategic partners in the supply chain. Geotechnical assessments are part of the company's preliminary work prior to any new construction of offices or data centres. Back-up centres ensure continuity of customer operations even in cases of severe consequences from climate change.

Policies and processes on NFI matters



*The numbers following each policy, rule and guideline relate to the numbering of the sustainability areas

Goals and results for each sustainability area

Responsibility area	Goal	Result 2020	Result 2021	Result 2022	Result 2023	UN Sustainable development goal
ETHICAL CONDUCT						
Human rights	2023: Conduct a formal Human Rights Impact Assessment for a business entity	Assessment to be conducted in 2021	Group-wide human rights risk screening conducted in 2021 with completion in 2022	In progress	Completed	
Cybersecurity and privacy	2023: Zero substantiated complaints concerning breaches of customer privacy and losses of customer data[1]	Zero	Zero	Zero	Zero	
Business ethics and anti-corruption	2023: 90% completion of ethics training (CoC e-learning)[2]	91%	93%	96%	96%	
	2023: 100% confirmation of receipt of a whistleblowing notification within four business days of receipt	100%	100%	100%	100%	
Responsible sourcing	2023: 100% of new or renewed suppliers agreeing to Tietoevry's Supplier Code of Conduct[3]	100%	99%	100%	100%	
CLIMATE ACTION						
Energy usage and GHG emissions	2023: 80% reduction of scope 1 and 2 GHG emissions by 2023	Baseline	44% reduction	70% reduction	84% reduction	
	2023: 100% carbon-free electricity in all data centres and offices	80%	92%	95%	99%	
Circular economy practices	2023: 100% reuse and recycling of hardware[4]	Not measured	Internal: 70%, Customer: 86%	Internal: 93%, Customer: 95%	Internal: 93%, Customer: 96%	
EXCITING PLACE TO WORK						
Diversity and inclusion	2026: 40% female employees, 2030: 50% female employees[5]	29% female employees	29% female employees	31% female employees	31% female employees	
Employee experience	2023: Employee engagement score >75	76/100	78/100	82/100	82/100	

[1] Substantiated complaints regarding customer privacy and losses of customer personal data is defined as security incidents where national authorities have issued financial fines to Tietoevry related to the topic

[2] Measured on an annual basis

[3] Scope: Agreements made through Procurement function. Note that scope also includes suppliers' versions of Codes of Conduct agreed by our Chief Sustainability Officer

[4] Scope: Result based on reuse of returned devices (mainly laptops). Data accuracy: data is based on our main hardware supplier's reports. This supplier provides close to 70% of Tietoevry's devices. Baseline for measurement is FY2021

[5] Permanent employees (headcount)

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EU Taxonomy reporting

The digital transition is described as a key enabler for achieving a more sustainable future. Through leading technologies and the smart use of data, Tietoevry can positively impact the environment and build solutions that can reduce customers' environmental footprint. At Tietoevry, these kinds of enabling services and solutions include, for example, offerings supporting customers with transitioning to a circular economy. Furthermore, the company can reduce emissions in its own operations, such as at its data centres.

Mobilizing sustainable investments towards a low-carbon and resilient economy

The European Union has set a clear target of becoming the world's first climate-neutral continent by 2050. To support investment into sustainable projects, the EU has launched a classification system for sustainable business activities, the EU Taxonomy.

The European Commission adopted the Climate Delegated Act in 2021, containing the two first environmental objectives: 'Climate change mitigation' and 'Climate change adaptation'. The remaining four objectives were adopted in 2023 and some new activities were also added to previously adopted regulation.

Reporting according to the EU taxonomy

Companies that fall under the EU's Non-Financial Reporting Directive must report how well their operations match the EU Taxonomy. For reporting on the financial year 2023, companies report both taxonomy-eligible and taxonomy-aligned KPIs of revenue as well as capital and operating expenditure for the first two environmental objectives. For the four additional objectives, companies need to report only taxonomy-eligible KPIs. For reporting on the financial year 2024, both taxonomy-eligibility and -alignment will have to be disclosed for all six environmental objectives.

In order for an activity to be classified as aligned, it should comply with technical screening criteria defined by the EU. According to technical screening criteria, an activity should 'substantially contribute' to at least one environmental objective and avoid causing 'significant harm' to any of the other five objectives. Furthermore, the company should comply with minimum safeguards.

Objective	Reported since	Reporting scope in 2023
Climate change mitigation	2021	Eligibility and alignment
Climate change adaptation	2021	Eligibility and alignment
Sustainable use and protection of water and marine resources	2023	Eligibility
Transition to circular economy	2023	Eligibility
Pollution prevention and control	2023	Eligibility
Protection and restoration of biodiversity and ecosystems	2023	Eligibility

Proportion of turnover[1] from products or services associated with taxonomy-aligned economic activities

				Financial year 2023								Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1) or eligible (A.2) turnover in 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		MSEK	%	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0%														0%		
of which enabling		0.0	0%														0%	E	
of which transitional		0.0	0%														0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM8.1	528.0	19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								19%		
Product-as-a-service and other circular use-and result-oriented service models	CE5.5	40.0	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Provision of IT/OT data-driven solutions and software	CE4.1	7.5	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		575.6	20%	19%	0%	0%	0%	1%	0%								19%		
A. Turnover of taxonomy-eligible activities (A.1+A.2)		575.6	20%	19%	0%	0%	0%	1%	0%								19%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities		2 275.8	80%																
Total		2 851.4	100%																

[1] 'Turnover' equals 'revenue' in Tietoevry's financial reporting

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Revenue

Tietoevry's revenue amounted to a total of EUR 2 951.4 (2 928.1) million in 2023 (Notes 5 and 6 to the Financial Statements), of which EUR 575.6 (544.2) million, or 20% (19%) was eligible. The largest share of Tietoevry's eligible revenue comes from data platform services, provided by Tietoevry Tech Services. These services fall under activity CCM8.1 'Data processing and hosting and related activities' and contribute to 'Climate change mitigation'. In 2022, eligible revenue of EUR 544.2 million consisted solely of data platform services. In 2023, revenue for these services was down to EUR 528.0 million, impacted by exchange rates.

The proportion of eligible revenue at the Group-level was supported by a number of offerings contributing to the new objective 'The transition to circular economy' being classified as eligible. These offerings fall under activities CE4.1 'Provision of IT/OT data-driven solutions and software' and CE5.5 'Product-as-a-service and other circular use- and result-oriented service models'. Tietoevry's eligible solutions and services with a total revenue of EUR 47.5 million, supporting circular economy, are being provided and developed across businesses. Leasing Platform in Tietoevry Banking and Financing in Tech Services are examples of such offerings.

While several of the company's products and services have positive effects on environmental sustainability and are closely linked to economic activity CCM8.2 'Data-driven solutions for GHG emissions reductions' under 'Climate change mitigation', revenue for any of those is not deemed eligible. This is due to the fact that climate change mitigation is not the predominant aim of offerings in the manner described in economic activity CCM8.2.

Tietoevry does not report any eligible revenue or investments for offerings contributing to the objective 'Climate change adaptation'. Regarding the new objectives, the company has identified offerings which match with economic activities contributing to the objective 'The transition to circular economy'. Economic activities described under the other new objectives are currently not relevant for Tietoevry.

Alignment assessment was carried out for offerings eligible for the two first objectives. Regarding data platform services, the assessment was conducted at the data centre level. Tietoevry concluded that the eligible offerings for economic activity CCM8.1 'Data processing and hosting and related activities' (Climate change mitigation) to a large degree met the technical screening criteria, except for the criteria regarding the global warming potential (GWP) of refrigerants used in the data centre cooling system. The replacement refrigerants to those helping to lower the GWP and meet the requirements, however, might initially result in an increase of energy consumption and related GHG emissions - and therefore is not in line with the company's environmental goals.

Following the assessments for technical screening criteria, the company does not deem any of its revenue as aligned. Alignment assessment for offerings generating eligible revenue for the four new objectives has also been initiated.

Proportion of capital expenditure from products or services associated with taxonomy-aligned economic activities

				Financial year 2023						Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')								
Economic activities (1)	Code (2)	Capex (3)	Proportion of capex (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A1) or eligible (A2) capex in 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		MNOK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Capex of environmentally sustainable activities (taxonomy-aligned (A.1)		0.0	0%														0		
of which enabling		0.0	0%														0%	E	
of which transitional		0.0	0%														0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM8.1	33.5	26%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								29%		
Acquisition and ownership of buildings	CCM7.7	33.4	25%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								31%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM6.5	12.2	9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5%		
Provision of IT/OT data-driven solutions and software	CE4.1	0.8	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		79.9	61%	60%	0%	0%	0%	1%	0%								66%		
A. Capex of taxonomy-eligible activities (A.1+A.2)		79.9	61%	60%	0%	0%	0%	1%	0%								66%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of taxonomy-non-eligible activities		51.7	39%																
Total		131.6	100%																

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Capital expenditure

Capital expenditure amounted to a total of EUR 131.6 (147.9) million, comprising EUR 85.3 million in additions to tangible and intangible assets (see Notes 11 and 12 to the Financial Statements) and EUR 46.3 million in additions to right-of-use assets, mainly related to the company's premises and vehicles (in Note 13 to the Financial Statements, total additions of EUR 76.5 million include remeasurements and lease modifications which are excluded from the amount used in this capital expenditure calculation).

Taxonomy-eligible capital expenditure was EUR 79.9 (97.6) million, or 61% (66%) of the total amount. The decline of the proportion was mainly due to the high comparison figure. In 2022, additions in right-of-use assets included new major agreements for premises.

Taxonomy-eligible capital expenditure fell under the following categories, defined in the EU Taxonomy regulation:

a) investments in assets or processes associated with taxonomy-eligible or taxonomy-aligned economic activities

Tietoevry: this category represents 27 pp. of taxonomy-eligible capital expenditure, comprising expenditure for data centres and eligible offerings.

c) purchases of output from taxonomy-eligible or taxonomy-aligned economic activities.

Tietoevry: this category represents 34 pp. of taxonomy-eligible capital expenditure, comprising additions to right-of-use assets and including 2 pp. for business combinations. At Tietoevry, these purchases fall under activity CCM7.7 'Acquisition and ownership of buildings' and activity CCM6.5 'Transport by motorbikes, passenger cars and light commercial vehicles'.

Tietoevry did not include any capital expenditure under capex category b) part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy eligible economic activities to become taxonomy-aligned.

Based on the technical screening criteria for economic activities relevant for Tietoevry, the company did not identify aligned capital expenditure in any of the categories above.

Proportion of operating expenditure from products or services associated with taxonomy-aligned economic activities

				Financial year 2023						Substantial contribution criteria				DNSH criteria ('Does Not Significantly Harm')							
Economic activities (1) +A4:Q4	Code (2)	Opex (3)	Proportion of opex (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A1) or eligible (A2) opex in 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		€	%	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Opex of environmentally sustainable activities (taxonomy-aligned (A.1)		0.0	0%														0%		
of which enabling		0.0	0%														0%	E	
of which transitional		0.0	0%														0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Data processing, hosting and related activities	CCM8.1	15.3	18%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								18%		
Acquisition and ownership of buildings	CCM7.7	2.7	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6%		
Provision of IT/OT data-driven solutions and software	CE4.1	0.1	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		18.1	21%	24%	0%	0%	0%	0%	0%								24%		
A. Opex of taxonomy-eligible activities (A.1+A.2)		18.1	21%	24%	0%	0%	0%	0%	0%								24%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of taxonomy-non-eligible activities		69.2	79%																
Total		87.3	100%																

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Operating expenditure

Operating expenditure as defined in the EU Taxonomy amounted to a total of EUR 87.3 (92.9) million, comprising EUR 84.6 million in offering and internal development and EUR 2.7 million in maintenance of premises and short-term leases. Taxonomy-eligible operating expenditure was EUR 18.1 (22.2) million, or 21% (24%) of the total amount. The change of the proportion was mainly attributable to the decline in maintenance costs for premises under activity CCM7.7 'Acquisition and ownership of buildings'. Eligible operating expenditure fell under the categories below, defined in the EU Taxonomy regulation:

a) expenditure related to assets or processes associated with taxonomy-eligible or taxonomy-aligned economic activities

Tietoevry: this category represents 18 pp. of taxonomy-eligible operating expenditure and includes offering and internal development related to eligible offerings.

c) purchases of output from taxonomy-aligned economic activities

Tietoevry: this category represents 3 pp. of taxonomy-eligible operating expenditure and relates to maintenance of premises and short-term leases.

Operating expenditure category b) part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned was assessed but Tietoevry did not include any development costs under this category.

Based on the technical screening criteria for economic activities relevant for Tietoevry, the company did not identify aligned operating expenditure in any of the categories above.

Compliance with Minimum Safeguards

Compliance with Minimum Safeguards is evaluated on a Group level. The evaluation includes reviewing alignment of existing due diligence processes with the United Nations Guiding Principles and OECD Guidelines for Multinational Enterprises across the company. During 2023, the focus has been on further developments of the corporate-wide due diligence measures with regards specifically to human rights and corruption. Activities include human rights impact assessment in one country, human rights risk assessments of core corporate processes, development of risk assessment tools for business processes and mapping of existing monitoring mechanisms ensuring a systematic assessment of corruption risks. The execution of activities to close the gaps demonstrates that Tietoevry meets the requirements for compliance with Minimum Safeguards.

ACCOUNTING POLICIES FOR EU TAXONOMY REPORTING

The required key performance indicators have been determined based on the company's financial reporting prepared in accordance with IFRS. Further details about the Group's accounting policies are described in the notes to the consolidated financial statements.

Revenue

At Group level, revenue comprises reportable segments' total revenue and eliminations for internal revenue. Tietoevry's eligibility assessment is primarily based on Group-level aggregated lead offerings, which is a key dimension in the company's internal operative accounting. Approaching the reporting through the assessment of lead offerings means that there is no risk of double counting.

Capital expenditure

Capital expenditure is defined as additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any remeasurements (including those resulting from revaluations and impairments) and excluding fair value changes. It also includes additions to tangible and intangible assets resulting from business combinations and additions to right-of-use assets from lease contracts.

Capital expenditure in this taxonomy reporting section includes additions to right-of-use assets, reported in Note 13 in the Financial Statements, while this is excluded from capital expenditure presented in the Group's key figures in this Report by the Board of Directors. Identification of eligible capital expenditure was made based on Group-level reporting and thus there was no risk of double counting.

Operating expenditure

Operating expenditure is defined as expenditure related to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the servicing of assets of property, plant and equipment by Tietoevry or a third party to which activities are outsourced as necessary to ensure the continued and effective functioning of such assets. Only direct non-capitalized costs are included.

Tietoevry's operating expenditure consists of the following items

- costs for offering and internal development related to data platform services. In the financial reporting, these costs are included in employee benefit expenses.
- costs for maintenance and short-term lease. In the financial reporting, related costs are included in other operating expenses.

Shareholders' meeting

Tietoevry Corporation's Annual General Meeting (AGM) held on 23 March approved the financial statements 2022 and discharged the company's officers from liability for the financial year 2022. The meeting also approved the Remuneration Report and an amendment to Section 10 of the Articles of Association according to which the Board of Directors can also decide that the General Meeting will be held with the help of a data communication connection and a technical aid during the meeting. The AGM decided on a total dividend of EUR 1.45 per share, paid in two instalments.

The meeting re-elected Tomas Franzén, Liselotte Hägertz Engstam, Harri-Pekka Kaukonen, Katharina Mosheim and Endre Rangnes. Berit Carlsen, Elisabetta Castiglioni, Gustav Moss and Petter Söderström were elected as new members. Tomas Franzén was re-elected as the Chairperson of the Board of Directors.

Shareholders' Nomination Board

The composition of the Shareholders' Nomination Board for Tietoevry Corporation was determined based on holdings on 31 August 2023 in the Finnish, Norwegian and Swedish shareholders' registers and received evidence. The Shareholders' Nomination Board comprises the following members:

- Chairperson Annaleetta Lumme-Timonen, Investment Director, Solidium
- Alexander Kopp, Investment Manager, Incentive
- Alexander Svensson, Vice President, Cevian Capital
- Mikko Lantto, Chief Technology and Development Officer, Ilmarinen
- Tomas Franzén, Chairperson of the Board of Directors, Tietoevry.

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The Board of Directors

Board of Directors as at 31 December 2023[1]

Name	Born	Nationality	Education	Main occupation
Tomas Franzén (Board and RC Chairperson)	1962	Swedish	MSc. (Eng.)	Professional Board member
Harri-Pekka Kaukonen (Deputy Chairperson, ARC Chairperson)	1963	Finnish	Dsc. (Tech.)	Professional Board member
Bertil Carlsén[2]	1950	Swedish	MSc. (Business Adm.)	Financial advisor and professional Board member
Elisabetta Castiglioni[2]	1964	Italian	Ph.D. (Tech)	CEO, A1 Digital International GmbH
Liselotte Hägertz Engstam	1960	Swedish	MSc. (Civ. Eng.)	Expert advisor, professional Board member
Katharina Mosheim	1976	Austrian	Ph.D. (Econ.)	CEO, Alpha Pianos AS, professional Board member
Gustav Moss[2]	1988	Swedish	MSc. (Finance & Accounting)	Partner, Cevian Capital AB
Endre Rangnes	1959	Norwegian	BBA (Econ.)	CEO, Zolva Group, professional Board member
Petter Söderström[2]	1976	Finnish	MSc. (Econ.)	Investment Director, Solidium Oy
Tommy Sander Aldrin (personnel representative)[2]	1965	Norwegian	BSc. (Comp.)	Chief Consultant
Anders Palklint (personnel representative)[2]	1967	Swedish	MSc. (Eng.)	Senior Project Manager

[1] Timo Ahopelto, Angela Mazza Teufer, Niko Pakalén and personnel representatives Robert Spinelli and Ilco Wallgs served as Board members until the AGM on 23 March 2023.

[2] Board member as of the AGM on 23 March 2023

The President and CEO and operative management

Members of the Group management as at 31 December 2023[1]

Kimmo Alkio
President and CEO
Born: 1963
Nationality: Finnish
Education: BBA and Executive MBA
Joined Tietoevry in 2011

Klaus Andersen[2]
Managing Director, Tietoevry Banking
Born: 1964
Nationality: Danish
Education: Master's degree in Engineering
Joined Tietoevry in 2023

Kishore Ghadiyaram
Head of Strategy
Born: 1972
Nationality: Indian
Education: BSc. (Tech.)
Joined Tietoevry in 2008

Carsten Henke[3]
Managing Director, Tietoevry Industry
Born: 1968
Nationality: German
Education: Masters degree in Mathematics
Joined Tietoevry in 1997

Tomi Hyryläinen
Chief Financial Officer
Born: 1970
Nationality: Finnish
Education: MSc. (Econ.)
Joined Tietoevry in 2018

Ari Järvelä[3]
Managing Director, Tietoevry Care
Born: 1969
Nationality: Finnish
Education: MSc. (Eng.)
Joined Tietoevry in 2001

Satu Kiiskinen
Managing Director, Tietoevry Tech Services[2]
Born: 1965
Nationality: Finnish
Education: MSc. (Econ.)
Joined Tietoevry in 2013

Christian Pedersen
Managing Director, Tietoevry Create
Born: 1974
Nationality: Norwegian
Education: MSc. (Tech.)
Joined Tietoevry in 2014

Trond Vinje
Head of HR
Born: 1968
Nationality: Norwegian
Education: MSc. (Pol. Sci.)
Joined Tietoevry in 2015

The remuneration and more detailed background information, such as full CVs of the Group Management, are presented on the company's website.

[3] Ari Järvelä acted also as Managing Director of Tietoevry Industry until 1 November 2023. Carsten Henke was appointed as Managing Director of Tietoevry Industry as of 1 November 2023.

[2] Satu Kiiskinen acted as Managing Director of Tietoevry Transform and Johan Torstensson acted as Managing Director of Connect until 1 April 2023. These business were combined as Tietoevry Tech Services on 30 November 2022.

[1] Christian Segersven acted as Managing Director of Banking until 1 February 2023.

Auditors

The ARC prepares a proposal on the appointment of Tietoevry's auditors, which is then presented to the Board of Directors and finally to the AGM for its decision. The compensation paid to the auditors is decided by the AGM and assessed annually by the ARC.

The Board of Directors proposes to the AGM, in accordance with the recommendation of the ARC, that the auditor to be elected at the AGM 2024 be reimbursed according to the auditor's invoice and in compliance with the purchase principles approved by the Committee.

The Board of Directors proposes to the AGM, in accordance with the recommendation of the ARC, that the firm of authorized public accountants Deloitte Oy be re-elected as the company's auditor for the financial year 2024. The firm of authorized public accountants Deloitte Oy has notified that APA Jukka Vattulainen will act as the auditor with principal responsibility. Further, it is proposed that Deloitte Oy will be elected as the Authorized Sustainability Auditor.

Auditing

The AGM 2023 elected the firm of authorized public accountants Deloitte Oy as the company's auditor for the financial year 2023. Deloitte Oy notified the company that Authorized Public Accountant Jukka Vattulainen acts as principal auditor.

In 2023, Tietoevry Group paid the auditors a total of EUR 1.6 (1.3) million in audit fees, and a total of EUR 0.6 (0.6) million for other services.

Major risks

Tietoevry utilizes five risk categories within Risk Management: strategic, operational, financial, people, and compliance risks.

Strategic risks are related to market volatility, introduction of new technologies, changing digitalization and automation strategies, change management, reskilling ability and speed, ability to respond to competition and new entrants in the market, successful selection, management and implementation of company strategy, dependencies on few big customers in some business areas and ensuring delivery quality in the dynamic business environment.

Operational risks refer e.g. to changing the business model in business units, securing service and offering delivery capabilities, risk and continuity management, cybersecurity, climate change, customer bidding and requirement analysis, and maintaining a high professional standard in delivery management and quality assurance.

Financial risks mainly consist of credit risks, currency risks, interest rate risks, inflation and funding and liquidity risks.

Compliance risks are connected to the organization failing to recognize or meet the requirements in the areas of legislation or other mandatory regulation (e.g. General Data Protection Regulation (GDPR), Schrems II, anti-corruption, anti-bribery, insider matters, sanctions and trade compliance), internal policies and rules or ethics and integrity.

People risks can be driven by Tietoevry's needs to build a market-leading workforce for high performance in terms of delivering projects and customer services; people risks are also related to quality of life, human rights, and the safety of people.

Risks are registered, managed, followed up and aggregated by utilizing the corporate GRC platform, resulting in risk maps and Risk KPIs that are reviewed by leadership teams in the units and the ARC. Tietoevry's major risks and the measures for their mitigation are described below.

Market volatility

Changes in the Nordic core markets have a direct effect on market conditions and result in volatility that might have a negative impact on Nordic market growth. Changes in the economic environment and customer demand can affect both business volumes and price levels, which might result in lower revenue or slower revenue growth than expected.

These potential risks are mitigated through multi-year contracts for continuous services. Tietoevry also aims to maintain long-term business relations and to be a preferred supplier to its customers. The company executes tight cost and investment control with continuous investment performance monitoring, accompanied with a clear structure for decision rights, which are defined in the Decision Making Authority (DMA) Policy.

Global service capabilities, cross-selling and tough price competition are the main drivers in the IT sector for the development of the global delivery model. Tietoevry's position as a leading IT service provider in the Nordics is supported by existing and enhanced competences, and by the choice of right partners.

Change and transformation

With its strategy, Tietoevry aims to drive customer value and growth through specialization. The technology industry is being reshaped with cloud as the foundation, providing expansion opportunities for the company. Expansion will focus on cloud-native services, data & software engineering and scalable software businesses. In managed application and infrastructure services, the company will seek partnerships to invest and build scale. Strategic reviews of the Tietoevry Banking and Tietoevry Tech Services businesses will result in changes requiring careful change management.

In large-scale adaptation to the market by organizational transformation and right-sizing, resistance to change can prolong the transition, which may affect operational efficiency.

Change management is steered by the company-wide or project-specific Program Management Office, which provides standard tools and systems for the change, including communication, target setting and training for the implementation of the new strategy.

Common standards for project management ensure proper project risk management and compliance in project financials management and follow-up.

Sudden changes in the market environment, customer demand and customer strategies or the competitive landscape in these areas might harm Tietoevry's operations and profitability.

To diversify the business, Tietoevry provides services to several different industries and markets. The company develops its business mix to provide new industry software solutions, digital consulting, new hybrid cloud solutions and broader R&D capabilities to strengthen its position amongst both current and new customers. An industrialized and standardized way of providing services and solutions, employing automated processes, improves competitiveness and reduces risk.

Service continuity

Close to 100% availability of the services is the basis of trust among customers, stakeholders and society.

A service continuity disruption can be caused, for instance, by hardware or software failures, power outages, natural disasters and different types of intentional or unintentional actions by people.

Risks related to malfunctions of systems could seriously affect Tietoevry's ability to provide its services and have an adverse impact on the company's financials and reputation. Thus, business continuity planning is a high priority in Tietoevry's operational management in order to ensure that redundancy and fault tolerance are at the appropriate level.

To reduce the service continuity risk and to better understand the interdependencies in solutions and data centres, Tietoevry constantly reviews, maintains and improves its IT asset management, configuration management and monitoring systems. In addition to a balanced global portfolio, Tietoevry has recovery procedures and backup systems in place to handle potential service interruptions. Root cause analysis, best practices and experiences from previous incidents help in preparing for and mitigating the service continuity risk.

Also, a comprehensive and robust major incident & escalation process and crisis management process reduce service interruptions.

Cybersecurity

Tietoevry's business operations involve processing and storing large amounts of confidential data of public and private sector customers, business partners and own data, including sensitive personal data.

The threat landscape is constantly growing and evolving – e.g. criminal hackers, hacktivists, human errors or misconduct, and state-sponsored organizations – and may cause malfunctions or cybersecurity breaches of information against Tietoevry, its customers, subcontractors or other third parties.

At least the following threats are risk factors that could lead to loss, misuse, destruction of data or system malfunction compromising Tietoevry's ability to support, manage or develop services:

- Enterprise ransomware
- Supply chain attacks
- Critical vulnerabilities
- Targeted attacks
- Digital fraud
- Denial of service attacks
- Data breaches and data leaks
- Insider threats

Such events could have an adverse impact on the company's financials and reputation.

To detect and investigate cybersecurity incidents, Tietoevry has implemented a comprehensive and robust major incident & escalation process, a crisis management process as well as efficient cybersecurity defence with high-class detection and response capabilities to reduce service interruptions.

We regularly review our risk management and cybersecurity framework, train our employees to increase their awareness of cyber threats and continuously measure our cybersecurity maturity.

Quality costs related to customer bidding and delivery management

Inability to appropriately understand and analyse customers' changing needs, their business processes and the exact requirements can lead to misjudgements in setting the scope of projects or services and, consequently, difficulties in meeting the specifications of customer agreements.

Tietoevry is committed to actively verifying that business processes from sales to delivery are designed, implemented and embedded to deliver customer value and actively mitigate end-to-end risk exposure

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along full contract life cycles. Internal and external quality assessments and audits are used to verify the effectiveness and efficiency of ways of working as well as to control the quality of outcomes through measurable and actionable KPIs (Key Performance Indicators) and key controls. At the same time, customer feedback management is an integral part of how we drive performance and safeguard quality assurance at both the operational and strategic level. As part of this, we actively ask customers for feedback to understand how well we perform individual deliveries. In addition, we engage with customers to understand how well we support them in meeting their changing business objectives through our portfolio of deliveries. Insights and actions resulting from customer feedback are prioritized and followed up regularly at all levels of the organization and integrated into change management efforts.

Retention and attrition of employees

The competition in the market and demand for new services require ability and speed to reskill, attract new and retain existing competences and business knowledge for new services, new service models, new technologies and offerings. Tietoevry's success builds on attracting talent, skills renewal, business knowledge and the maturity of the organization.

Inability to retain key employees and to recruit new talent with the required competence might have a negative impact on the company's performance. High employee turnover might also cause delays in customer projects, leading to penalties or loss of customers.

To reduce these risks, Tietoevry implements unified delivery models across sites and offers its employees challenging jobs, diverse development possibilities, social recognition and training opportunities as well as interesting career paths through job rotation. Furthermore, the company has competitive compensation packages, including a company-wide incentive system. Attractive recruitment tools, strategies, talent management and competence development have a high strategic priority at Tietoevry. The company also focuses on employer branding to build and strengthen Tietoevry's image as an attractive employer both internally and externally.

Credit risks

Changes in the general market environment and global economy can result in additional financial risks. Credit risks might arise if customers or financial counterparties are unable to fulfil their commitments towards Tietoevry.

Tietoevry's Credit Policy defines the principles for customer credit risk management to be applied in all lines of business and controlled by a centralized credit management team. The risk assessment utilizes external risk databases and past experience as a reference. Credit risk regarding financial counterparties is managed through counterparty limits, as set out in the Tietoevry Treasury Policy.

Currency risks

Tietoevry's currency transaction exposure arises from foreign trade, cash management and internal funding in foreign currencies. Translating the balance sheets and income statements of Group companies into euros creates a translation exposure.

Tietoevry's Treasury Policy defines the principles for managing currency risks within the Group.

Interest rate risks

Tietoevry's interest rate risk consists mainly of short- and long-term loans, cash positions and derivative contracts. Fluctuations in interest rates can impact Tietoevry's financial result or economic situation.

Tietoevry's Treasury Policy defines the principles for managing interest rate risks within the Group.

Funding and liquidity risks

Exceptional market conditions in the financial market might impose temporary limitations on raising new funding and/or lead to an increase in funding costs.

Group Treasury monitors and manages Tietoevry's funding structure and liquidity by maintaining a sufficiently diversified loan portfolio and liquidity position. Analyses of alternative financing sources, maturities and pricing for the company are continuously updated. Tietoevry's financial risks are described in full in the notes to the consolidated financial statements.

Tietoevry's Treasury Policy defines the principles for managing funding and liquidity risks within the Group.

Legal, regulatory and compliance risks

Tietoevry operates in multiple jurisdictions and is required to comply with a wide range of laws and regulations enacted both at the European and international level, e.g. data protection and privacy laws, public procurement, anti-corruption, anti-bribery, regulations restricting competitive trading conditions, health and safety regulations, environmental regulations, labour regulations, competition regulations as well as securities markets, corporate and tax laws. Failing to comply with the regulations or implement new requirements may subject the company to regulatory interventions or penalties, or a slowing or even halting of the development of its activities.

Tietoevry functions as a data processor for customers and as a data controller for its employees' personal data. Should Tietoevry or its products or services fail to comply with the privacy laws, this might result in negative reputational impacts, significant fines or other expenses if the product or service in question needs to be redesigned or redeveloped.

The risk is mitigated by company-wide privacy work. Tietoevry has a privacy governance model, which ensures that the group and each business have resources to continuously follow up, report, and proactively develop privacy and actively train and communicate with employees. Privacy governance also ensures that the GDPR requirements are appropriately embedded as practical rules and instructions into core processes such as offering and software development, sales, sourcing and marketing, program and project delivery, continuous service delivery and Tietoevry's internal service.

Supply chain risk

Tietoevry's ability to perform its obligations to customers can be affected by a failure by any significant supplier or partner to fulfil its obligations. Such failure may expose Tietoevry to liabilities and impact the profitability of the company. These risks are managed by partner contract management, contract renewal negotiations and continuous evaluation of the partner delivery quality.

Global pandemic

Even though Covid-19 is no longer considered to be a pandemic by the World Health Organization (WHO) since 5 May 2023, it (or some other widespread illness) can still create uncertainty in the market and for the company. Tietoevry has continued to identify, evaluate, and manage risks that could have significant financial, operating, or reputational impacts on the company on both a short- and long-term basis. Enterprise risk management, crisis management and business continuity have been vital in handling the effect of the pandemic on our employees, portfolio and customers. Tietoevry follows country-specific government and healthcare guidelines for personal health and the prevention of the spread of current or possible new pandemic cases.

Geopolitical instability

Geopolitical instability might result in disruption in areas where Tietoevry operates. This instability might impact the company's operations, despite careful scenario planning and mitigation plans to ensure business continuity. Russia's war against Ukraine has impacted our business in Ukraine, and its status is monitored with regular business continuity and crisis management meetings in order to help and ensure the safety of employees and secure business continuity.

Climate change

Physical climate change impacts may pose a risk for both Tietoevry and its customers. Tietoevry strives to mitigate its contribution to climate change by reducing carbon emissions and increasing energy efficiency in its own operations. Specific risk assessments concerning the proximity of hazards such as rivers, rail lines and airports are carried out as part of the decision making prior to any new construction or lease of offices or datacentres, and the company has back-up centres to ensure the continuity of customer operations in case of severe climate change incidents. The ability to mitigate the impacts and adapt to climate change is becoming an increasingly important factor influencing customers' decision making. Tietoevry can help its customers to reduce their carbon emissions through its technology solutions and facilitate customers' transition to a low-carbon and circular economy.

Artificial Intelligence

Artificial Intelligence (AI), including Generative AI and machine learning can be used for purposes such as support or development activities and the usage of AI can involve risks, such as privacy, fairness concerns and ethical dilemmas. Also, training AI models can consume significant amounts of energy, contributing to carbon emissions. Addressing these challenges can unlock AI's potential and opportunities for positive change and innovation while prioritizing responsible and ethical development.

Shares and shareholders

Tietoevry's issued and registered share capital amounts to EUR 76 555 412.00. On 31 December, the number of shares totalled 118 425 771. Tietoevry's shares have no par value and their book counter value is one euro. The company's shares are listed on NASDAQ in Helsinki and Stockholm and Oslo Børs. The company has one class of shares, with each share conferring equal dividend rights and one vote.

The company had around 65 424 registered shareholders at the end of 2023 based on the ownership records of the Finnish, Swedish and Norwegian central securities depositories. Tietoevry received the following flagging announcements during the year:

- On 10 March, Cevian Capital Partners announced that its holding has fallen below 5%.
- On 9 August, Silchester International Investors LLP announced that its holding had increased to 11 873 031 shares, representing 10.03% of the total number of shares. On 25 August, the holding had increased to 10.61%, including 5 937 483 shares held by Silchester International Investors International Value Equity Trust, representing 5.01% of the total number of shares.

On 31 December, Tietoevry had three shareholders holding 5% or more of the shares: Solidium Oy, Silchester International Investors LLP and Incentive Investment Funds.

In February, Tietoevry purchased 325 000 own shares (0.27% of the total number of shares) in trading organized by Nasdaq Helsinki Ltd. The average purchase price was EUR 29.9745 per share. Related to the company's share-based reward plans, a total of 302 789 shares held by Tietoevry (0.26% of the total

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number of shares) were transferred to the participants of the plan during the first quarter. At the end of the year, the number of shares in the company's or its subsidiaries' possession totalled 34 679, representing 0.03% of the total number of shares and voting rights. The number of outstanding shares, excluding the treasury shares, was 118 391 092.

The members of the Board of Directors, the President and CEO and their close associates together held 0.13% of the shares and votes registered in the book-entry system on 31 December 2023. The President and CEO is also participating in the company's long-term share-based incentive plans and potential rewards will be paid partly in Tietoevry shares. As the number of additional shares related to these incentives is dependent on the company's performance, these are not included in this aggregate number.

The company's Articles of Association include a restriction on voting at the Annual General Meeting, where no-one is allowed to vote with more than one-fifth of the votes represented at the meeting. The Articles of Association are available at www.tietoevry.com/investors.

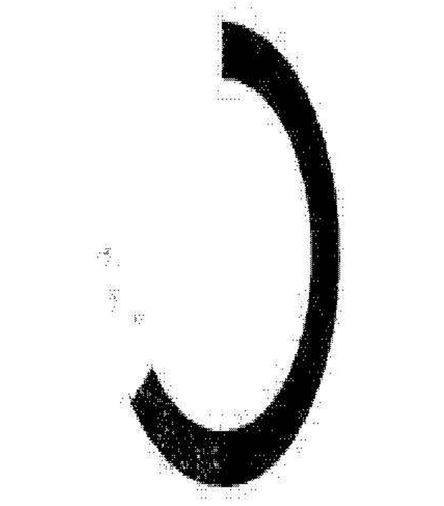
Share-based incentive plans

Tietoevry has the following active share-based incentive plans: a Performance Share Plan 2021, 2022 and 2023 and a Restricted Share Plan 2021, 2022 and 2023. The potential rewards will be paid partly in the company's shares and partly in cash in 2024, 2025 and 2026, respectively. The share rewards to be delivered to the participants will consist of shares to be acquired from the market and treasury shares. Thus, no new shares will be issued in connection with the plans. The rewards to be paid on the basis of the plans correspond to the value of an approximate maximum total of 3 330 000 Tietoevry shares (including the proportion to be paid in cash). On 31 December, the value of granted and unvested share plans corresponded to 2 413 884 shares. The company has not issued any bonds with warrants and does not have any stock option programmes.

Board authorizations

The 2023 Annual General Meeting authorized the Board of Directors to decide on the repurchase of the company's own shares. The amount of own shares to be repurchased shall not exceed 11 800 000 shares, which currently corresponds to approximately 10% of all the shares in the company. The Board of Directors was also authorized to decide on the issuance of shares as well as on the issuance of option rights and other special rights. The amount of shares to be issued based on the authorization (including shares to be issued based on the special rights) shall not exceed 11 800 000 shares, which currently corresponds to approximately 10% of all the shares in the company.

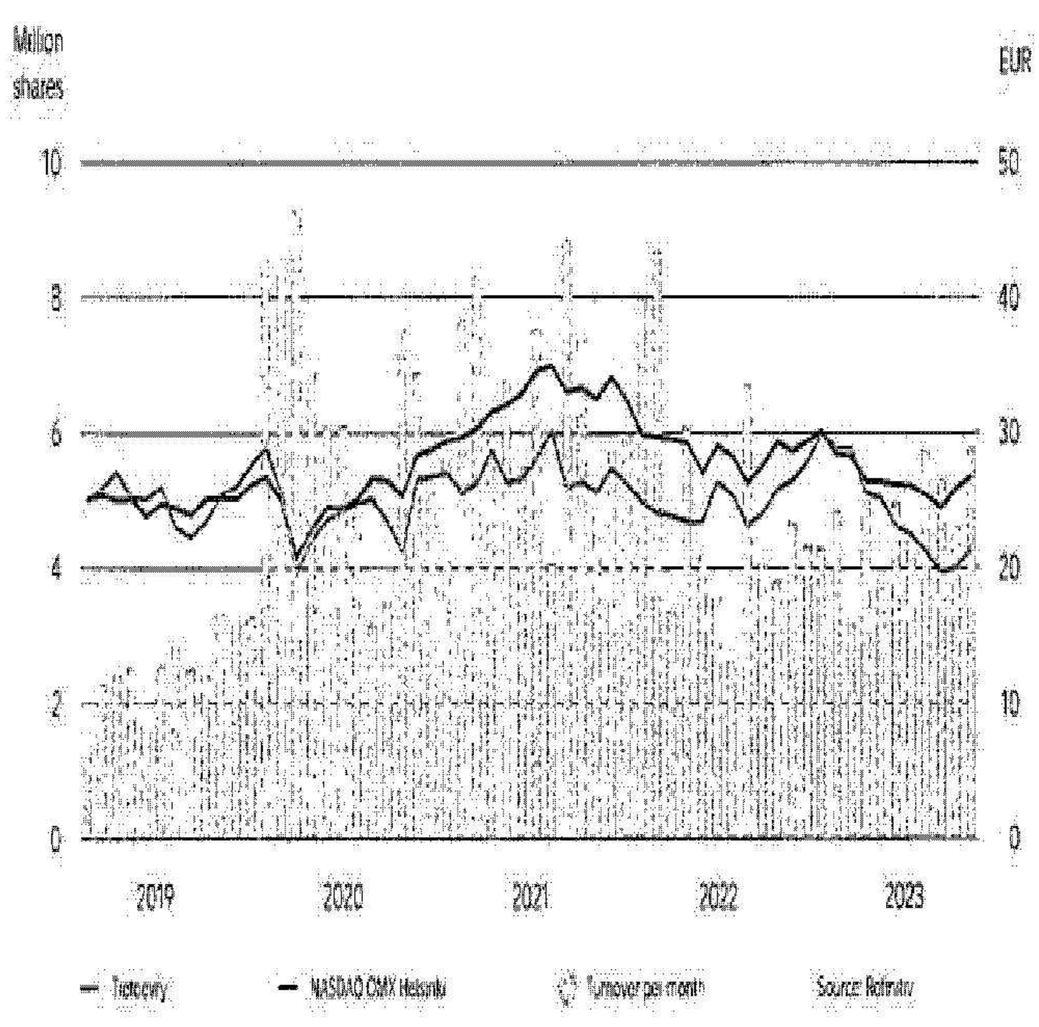
OWNERSHIP STRUCTURE ON 31 DEC 2023



- Non-Finnish holders 58.2%
- General Government 16.2%
- Households 13.5%
- Financial and insurance corporations 4.3%
- Non-profit institutions 4.3%
- Non-financial corporations and housing corporations 3.5%

Based on the ownership records of Euroclear Finland Oy

SHARE PRICE DEVELOPMENT AND TURNOVER, HELSINKI



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	2023	2022	2021	2020	2019
Number of shares					
Number of shares	118 425 771	118 425 771	118 425 771	118 425 771	118 425 771
Outstanding shares					
At year end	118 391 092	118 413 303	118 418 184	118 414 793	118 253 526
Average	118 375 769	118 405 657	118 408 223	118 378 269	77 193 387
Share capital at year end, EUR	76 555 412	76 555 412	76 555 412	76 555 412	76 555 412
Per share data					
Earnings per share, EUR					
Basic	1.45	1.59	2.46	0.8	1.02
Diluted	1.45	1.59	2.46	0.8	1.02
Equity per share, EUR	13.62	14.52	15.38	13.73	14.27
Share price performance and trading volumes					
NASDAQ Helsinki					
Highest price of share, EUR	30.58	27.94	30.46	31.32	29.06
Lowest price of share, EUR	19.16	21.06	25.42	17.26	21.40
Average price of share, EUR	24.77	24.86	27.26	24.42	25.37
Turnover, number of shares	56 862 211	62 036 948	78 772 407	77 150 210	31 439 512
Turnover, %	48.0	52.4	66.5	65.1	26.5

	2023	2022	2021	2020	2019
Market capitalization, EUR million	2 550.9	3 140.7	3 254.3	3 180.9	3 282.8
Dividends					
Dividend, EUR 1 000	174 035	171 699	165 785	156 308	75 190
Dividend per share, EUR	1.47	1.45	1.40	1.32	0.64
Payout ratio, %	101.1	91.0	56.8	165.3	62.3
Price-weighted ratios					
NASDAQ Helsinki					
Price per earnings ratio (P/E)	15	17	11	34	27
Dividend yield, %	6.8	5.5	5.1	4.9	4.6

Major shareholders on 31 December 2023

		Shares	%
1	Solidium Oy	12 857 918	10.9
2	Silchester International Investors LLP 1)	11 873 031	10.0
3	Incentive Investment Funds ICAV 2)	6 041 221	5.1
4	Ilmarinen Mutual Pension Insurance Company	1 966 644	1.7
5	Elo Mutual Pension Insurance Company	1 738 000	1.5
6	The State Pension fund	1 400 000	1.2
7	Nordea Life Assurance Finland Ltd.	826 541	0.7
8	Stiftelsen för Åbo Akademi	597 536	0.5
9	Nordea Pro Finland Fund	592 062	0.5
10	Society of Swedish Literature in Finland	560 800	0.5
Top 10 shareholders total		38 483 753	32.5
- of which nominee registered		17 914 252	15.1
Nominee registered other		50 820 204	42.9
Others		29 121 814	24.6
Total		118 425 771	100.0

Number of shares

	Shareholders		Shares	
	No.	%	No.	%
1–100	27 208	52.2	1 221 814	1.0
101–1 000	21 089	40.5	7 266 577	6.1
1 001–10 000	3 553	6.8	8 829 058	7.5
10 001–100 000	206	0.4	5 479 583	4.6
100 001–1 000 000	38	0.1	10 385 215	8.8
1 000 001–	7	0.0	85 232 959	72.0

Based on the ownership records of Euroclear Finland Oy.

The list of shareholders above is based on the ownership records of Euroclear Finland Oy, Euroclear Sweden AB and Norwegian Central Securities Depository (VPS) and also includes shareholders with a nominee registered holding exceeding the 5% threshold in accordance with Chapter 9, Section 5 of the Finnish Securities Markets Act. Their holding information is based on the latest notification.

On 10 March, Cevian Capital Partners Ltd announced that its holding has fallen below the 5% threshold. Based on Euroclear Finland Oy, the holding of Cevian Capital Partners Ltd on 31 August 2023 was 4 690 937 shares, representing 4.0% of the total amount.

1) On 9 August 2023 Silchester International Investors LLP announced that its holding has increased to 11 873 031 shares representing 10.03% of the total number of shares. Based on Silchester International Investors LLP's announcement on 25 August the aggregated holding was 10.61%, including shares held by Silchester International Investors International Value Equity Trust.

2) On 25 September 2023 Incentive AS announced that the holding of Incentive Investment Funds ICAV was 6 041 221 shares, representing 5.1% of the shares.

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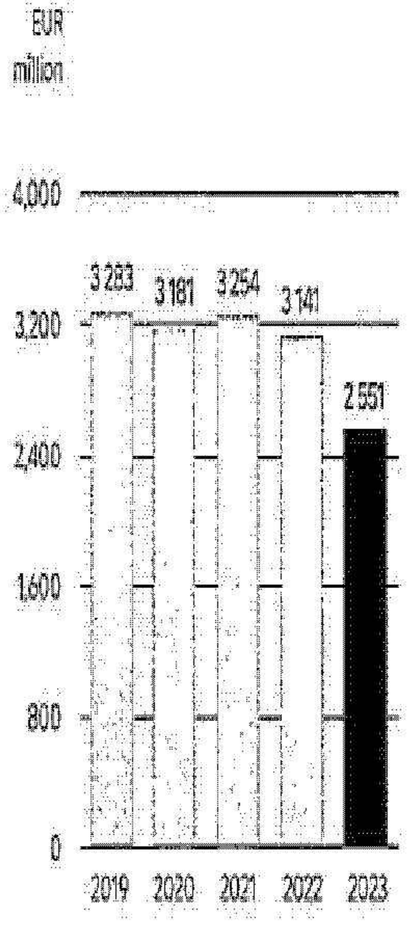
Dividend

The distributable funds of the parent company amount to EUR 1 417.7 million, of which net profit for 2023 amounts to EUR 119.7 million. The Board of Directors proposes to the Annual General Meeting that for the financial year ended on 31 December 2023, a dividend of EUR 1.47 per share be paid from the distributable profits of the company. The Board of Directors proposes that the dividend shall be paid in two instalments:

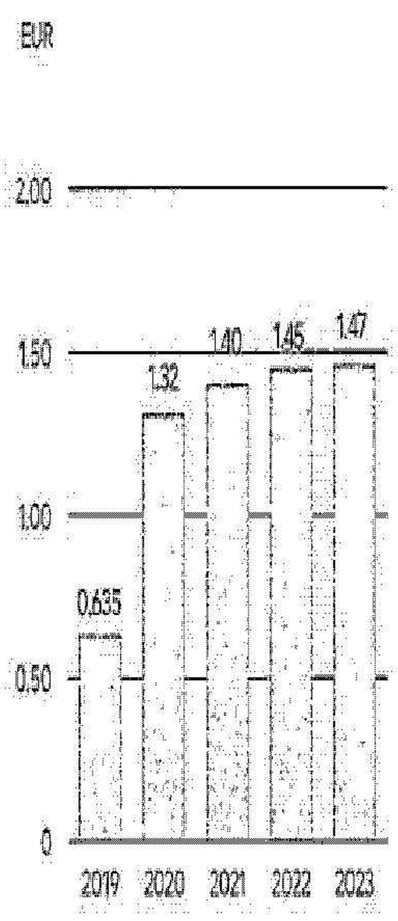
- The first dividend instalment of EUR 0.735 per share shall be paid to shareholders who on the record date for the dividend payment on 15 March 2024 are recorded in the shareholders' register held by Euroclear Finland Oy or the registers of Euroclear Sweden AB or Verdipapirsentralen ASA (VPS).
- The second dividend instalment of EUR 0.735 per share shall be paid to shareholders who on the record date for the dividend payment on 23 September 2024 are recorded in the shareholders' registers.

The proposed dividend payout does not endanger the solvency of the company.

MARKET CAPITALIZATION



DIVIDEND / SHARE, EUR



Events after the period

On 9 January, Tietoevry announced that Christian Pedersen, Managing Director of Tietoevry Create since 2022, had decided to pursue interests outside of Tietoevry. Following this, Harri Salomaa was appointed as Acting Managing Director of Tietoevry Create effective 9 January 2024.

In February, Tietoevry's Board of Directors approved the demerger plan concerning a partial demerger of Tietoevry as part of the strategic review and separation process of Tietoevry Banking. Tietoevry Banking is proposed to be separated as a standalone company to be listed on Nasdaq Helsinki. The transaction is subject to shareholder approval at an Extraordinary General Meeting. Tietoevry's Board of Directors retains the optionality to pursue other alternatives for Tietoevry Banking before completion of the demerger, if in the best interests of Tietoevry and its shareholders. Tietoevry has secured in its preparations for the demerger sufficient financing for the demerging businesses with EUR 852 million backup and term loan facilities from certain Nordic banks.

Full-year outlook

Tietoevry expects its organic[1] growth to be in the range of 0–3% (revenue in 2023: EUR 2 851.4 million).

The company estimates its full-year adjusted operating margin[2] (adjusted EBITA[3]) to be 12.0–13.0% (12.6% in 2023).

[1] Adjusted for currency effects, acquisitions and divestments

[2] Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability

[3] Profit before interests, taxes and amortization of acquisition-related intangible assets

Financial reporting in 2024

29 February	Annual Report 2023
13 March	Annual General Meeting

Tietoevry will publish three interim reports in 2024:

25 April	Interim report 1/2024 (9:00 a.m. EEST)
23 July	Interim report 2/2024 (9:00 a.m. EEST)
24 October	Interim report 3/2024 (9:00 a.m. EEST)

Key figures

Calculation of key figures and alternative performance measures

Tietoevry presents certain financial measures, which, in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority, are not accounting measures defined or specified in IFRS and are, therefore, considered alternative performance measures. Tietoevry believes that alternative performance measures provide meaningful supplemental information to the financial measures presented in the consolidated financial statements prepared in accordance with IFRS and increase the understanding of the profitability of Tietoevry's operations. In addition, they are seen as useful indicators of the Group's financial position and ability to obtain funding. Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures.

Adjusted earnings per share = Net profit for the period excluding adjustment items, amortization of acquisition-related intangible assets and related tax impact per country / Weighted average number of shares

Adjustment items = Restructuring costs + capital gains/losses + impairment charges + other items affecting comparability

Operating profit (EBIT) = Net profit + interests + taxes

Operating margin (EBIT), % = Operating profit (EBIT) / Revenue

Adjusted operating profit (EBITA) = Operating profit (EBITA) + adjustment items

Adjusted operating margin (EBITA), % = Adjusted operating profit (EBITA) / Revenue

Equity per share = Total equity / Number of shares at the year-end

Capital expenditure = Acquisitions of intangible assets and property, plant and equipment

Acquisitions = Acquisitions of subsidiaries and business operations, net of cash acquired

Return on equity, 12-month rolling, % = Profit before taxes and non-controlling interests – income taxes / Total equity (12-month average) * 100

Return on capital employed, 12-month rolling, % = Profit before taxes + interest and other financial expenses / Total assets – non-interest-bearing liabilities (12-month average) * 100

Equity ratio, % = Total equity / Total assets – advance payments * 100

Interest-bearing net debt = Interest-bearing liabilities – interest-bearing receivables – cash and cash equivalents

Net debt/EBITDA = Interest-bearing net debt / EBITDA (12-month average)

Gearing, % = Interest-bearing net debt / Total equity * 100

Adjusted operating profit (EBITA) by segment

EUR million	2023	2022	Change %
Tietoevry Create	114.0	117.3	-3
Tietoevry Banking	68.9	81.3	-15
Tietoevry Care	70.8	72.5	-2
Tietoevry Industry	43.4	46.0	-6
Tietoevry Tech Services	85.7	88.9	-4
Non-allocated costs	-24.0	-26.8	-10
Adjusted operating profit (EBITA)	**358.7**	**379.2**	**-5**

Adjusted operating margin (EBITA) by segment

%	2023	2022	Change pp
Tietoevry Create	13.4	13.8	-0
Tietoevry Banking	12.1	14.2	-2
Tietoevry Care	29.9	31.3	-1
Tietoevry Industry	16.5	16.9	0
Tietoevry Tech Services	8.0	7.6	0
Adjusted operating margin (EBITA)	**12.6**	**13.0**	**-0**

Reconciliation of adjusted operating profit (EBITA)

EUR million	2023	2022
Operating profit (EBIT)	255.6	266.5
+ Amortization on intangible assets recognized at fair value from acquisitions	41.8	46.7
Adjustment items:		
- Capital gains[1)]	-6.9	-1.1
+ Strategic reviews[2)]	32.3	2.6
+/- Other M&A related items	1.5	1.7
+ Restructuring costs	11.1	12.6
+ Tietoevry Tech Services performance improvement programme	15.1	31.0
+ War in Ukraine and exit from Russia	3.2	13.3
+ Tietoevry integration	–	9.2
+/- Other items[3)]	4.9	-3.3
Adjusted operating profit (EBITA)	**358.7**	**379.2**

[1)] Capital gains include a gain on the sale of property, plant and equipment

[2)] The costs relating to strategic reviews are expected to total around 1.5–2.0% of Group revenue, distributed mainly over 2023 and 2024

[3)] Include impairment losses, insurance compensation, settlement compensation, costs related to new strategy implementation, and other minor non-recurring items. See also notes 5, 6 and 7.

Income statement

EUR million	Note	2023	2022
Revenue	5, 6	2 851.4	2 928.1
Other operating income	7	22.2	50.2
Materials and services[1]		-567.2	-570.5
Employee benefit expenses	8	-1 566.0	-1 597.2
Depreciation and amortization	11, 12, 13	-152.4	-162.3
Impairment losses	11, 12, 13, 27	-4.8	-20.2
Other operating expenses[1]	7	-328.9	-362.6
Share of results in joint ventures	27	1.3	1.0
Operating profit (EBIT)		**255.6**	**266.5**
Interest and other financial income	20	23.7	3.9
Interest and other financial expenses	20	-61.7	-26.2
Net foreign exchange gains/losses	20	3.1	-1.4
Profit before taxes		**220.8**	**242.8**
Income taxes	9	-48.6	-54.2
Net profit for the financial year		**172.2**	**188.6**
Net profit for the financial year attributable to			
Owners of the Parent company		172.2	188.6
		172.2	**188.6**
Earnings per share attributable to owners of the Parent company, EUR per share	10		
Basic		1.45	1.59
Diluted		1.45	1.59

[1] Tietoevry has reclassified costs related to shared platforms in infrastructure services. See note 7.

Statement of other comprehensive income

EUR million	Note	2023	2022
Net profit for the financial year		172.2	188.6
Items that may be reclassified subsequently to profit or loss			
Translation differences	24	-99.8	-126.7
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit plans	15	0.6	2.0
Income tax related to remeasurements	9	-0.1	-0.4
Total comprehensive income		**72.9**	**63.5**
Total comprehensive income attributable to			
Owners of the Parent company		72.9	63.5
		72.9	**63.5**

Notes are an integral part of these consolidated financial statements.

Statement of financial position

Assets

EUR million	Note	31 Dec 2023	31 Dec 2022
Non-current assets			
Goodwill	11, 25	1 907.3	1 846.5
Other intangible assets	11, 25	339.6	336.7
Property, plant and equipment	12	88.8	97.2
Right-of-use assets	13	195.9	201.9
Interests in joint ventures	27	11.6	14.2
Deferred tax assets	9	11.8	14.6
Defined benefit plan assets	15	1.0	0.6
Other financial assets at amortized cost	21	15.1	15.0
Other financial assets at fair value	21	0.6	0.6
Other non-current receivables	13, 14	34.7	20.6
Total non-current assets		**2 606.4**	**2 548.0**
Current assets			
Inventories		8.6	5.6
Trade and other receivables	13, 14, 25	653.6	550.2
Financial assets at fair value	21	17.5	23.6
Current tax assets		12.7	16.8
Cash and cash equivalents	23	219.6	249.7
Total current assets		**912.0**	**845.8**
Total assets		**3 518.4**	**3 393.8**

Equity and liabilities

EUR million	Note	31 Dec 2023	31 Dec 2022
Equity			
Share capital	24	76.6	76.6
Share premium and other reserves	24	39.4	39.3
Invested unrestricted equity reserve	24	1 203.5	1 203.5
Retained earnings	24	293.0	399.9
Total equity		**1 612.3**	**1 719.2**
Non-current liabilities			
Loans	19, 21	539.5	639.4
Lease liabilities	13, 19, 21	161.4	155.9
Deferred tax liabilities	9	27.5	10.7
Provisions	16	2.5	2.6
Defined benefit obligations	15	26.5	28.4
Other non-current liabilities	17	10.8	21.0
Total non-current liabilities		**768.4**	**858.0**
Current liabilities			
Trade and other payables	17, 25	636.0	616.7
Financial liabilities at fair value	21	4.9	2.0
Current tax liabilities		20.0	13.9
Loans	19, 21	411.9	110.6
Lease liabilities	13, 19, 21	50.3	54.1
Provisions	16	14.6	19.1
Total current liabilities		**1 137.7**	**816.5**
Total equity and liabilities		**3 518.4**	**3 393.8**

Notes are an integral part of these consolidated financial statements.

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Statement of cash flows

EUR million	Note	2023	2022
Cash flow from operating activities			
Net profit for the financial year		172.2	188.6
Adjustments			
Depreciation, amortization and impairment losses	11, 12, 13, 27	157.2	182.5
Profit/loss on sale of property, plant and equipment, and business operations		-7.0	7.8
Share of results in joint ventures	27	-1.3	-1.0
Other adjustments		12.2	-7.5
Net financial expenses	20	34.9	23.7
Income taxes	9	48.6	54.2
Change in net working capital			
Change in current receivables		-64.7	-41.7
Change in current non-interest-bearing liabilities		-30.5	-40.4
Cash generated from operating activities before interests and taxes		**321.5**	**366.2**
Interests received		8.0	3.7
Interests paid		-31.1	-22.1
Other financial income received		20.6	25.3
Other financial expenses paid		-26.6	-37.7
Dividends received	27	1.3	1.4
Income taxes paid		-27.7	-59.8
Cash flow from operating activities		**266.1**	**276.9**

EUR million	Note	2023	2022
Cash flow from investing activities			
Acquisition of business operations, net of cash acquired	25	-156.3	–
Capital expenditure	11, 12	-84.1	-95.4
Disposal of business operations, net of cash disposed	25	0.4	-0.3
Proceeds from sale of property, plant and equipment		10.6	0.5
Change in loan receivables		0.1	3.2
Cash flow used in investing activities		**-229.3**	**-92.0**
Cash flow from financing activities			
Dividends paid		-171.7	-165.8
Repurchase of own shares		-9.8	-3.7
Repayments of lease liabilities	13, 19	-58.1	-66.3
Proceeds from short-term borrowings	19	195.2	–
Repayments of short-term borrowings	19	-131.3	-1.5
Proceeds from long-term borrowings	19	214.0	–
Repayments of long-term borrowings	19	-99.5	-13.1
Cash flow used in financing activities		**-61.2**	**-250.4**
Change in cash and cash equivalents		**-24.5**	**-65.4**
Cash and cash equivalents at the beginning of period	23	249.7	323.8
Foreign exchange differences		-5.5	-8.6
Change in cash and cash equivalents		-24.5	-65.4
Cash and cash equivalents at the end of period		**219.6**	**249.7**

Notes are an integral part of these consolidated financial statements.

Statement of changes in shareholders' equity

		Owners of the Parent company						
EUR million	Note	Share capital	Share premium and other reserves	Own shares	Cumulative translation differences	Invested unrestricted equity reserve	Retained earnings	Total equity
31 Dec 2022		76.6	39.3	-0.3	-193.5	1 203.5	593.7	1 719.2
Comprehensive income								
Net profit for the period		–	–	–	–	–	172.2	172.2
Other comprehensive income, net of tax								
Remeasurements of the defined benefit plans, net of tax		–	–	–	–	–	0.5	0.5
Translation differences		–	0.1	–	-83.3	–	-16.5	-99.8
Total comprehensive income		–	0.1	–	-83.3	–	156.1	72.9
Transactions with owners								
Contributions and distributions								
Share-based incentive plans	8	–	–	9.0	–	–	-7.3	1.7
Dividends		–	–	–	–	–	-171.7	-171.7
Repurchase of own shares		–	–	-9.8	–	–	–	-9.8
Total transactions with owners		–	–	-0.8	–	–	-179.0	-179.7
31 Dec 2023		76.6	39.4	-1.1	-276.8	1 203.5	570.9	1 612.3

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		Owners of the Parent company						
EUR million	Note	Share capital	Share premium and other reserves	Own shares	Cumulative translation differences	Invested unrestricted equity reserve	Retained earnings	Total equity
31 Dec 2021		76.6	41.5	-0.2	-66.0	1 203.5	565.8	1 821.1
Comprehensive income								
Net profit for the financial year		–	–	–	–	–	188.6	188.6
Other comprehensive income, net of tax								
Remeasurements of the defined benefit plans, net of tax		–	–	–	–	–	1.6	1.6
Translation differences		–	-2.2	–	-127.5	–	2.9	-126.7
Total comprehensive income		–	-2.2	–	-127.5	–	193.2	63.5
Transactions with owners								
Contributions and distributions								
Share-based incentive plans	8	–	–	3.6	–	–	0.5	4.1
Dividends		–	–	–	–	–	-165.8	-165.8
Repurchase of own shares		–	–	-3.7	–	–	–	-3.7
Total transactions with owners		–	–	-0.1	–	–	-165.3	-165.4
31 Dec 2022		76.6	39.3	-0.3	-193.5	1 203.5	593.7	1 719.2

Notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

1. Corporate information

Tietoevry Corporation (business identity code 0101138-5) is a Finnish public limited liability company organized under the laws of Finland. It is domiciled in Espoo and the address of the Group head office is Keilalahdentie 2-4, 02101 Espoo, Finland. The company is listed on NASDAQ in Helsinki and Stockholm and the Oslo Stock Exchange.

Tietoevry is a leading Nordic digital services and software company that employs over 24 000 experts globally. Tietoevry serves thousands of enterprise and public sector customers in more than 90 countries. The company's services comprise software, data and digital engineering as well as managed services and transformation, and related capabilities to support customers' business renewal, innovation and efficient operations. Tietoevry's role varies from consulting and advisory, designing and building solutions to running IT operations.

The Board of Directors approved these consolidated financial statements on 14 February 2024. According to the Limited Liability Companies Act, the shareholders have the right at the Annual General Meeting to either approve, amend or reject the consolidated financial statements after the publication.

BASIS OF PREPARATION

The accounting policies applied to the consolidated financial statements as a whole are described below. A more detailed description of accounting policies and significant estimates related to specific disclosures are presented in conjunction with each note with the aim of providing an understanding of each accounting area.

2. Material accounting policy information

These consolidated financial statements of Tietoevry have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements also comply with Finnish accounting principles and corporate legislation complementing IFRS. The consolidated financial statements are presented in millions of euros and have been prepared under the historical cost convention, unless otherwise stated in these accounting policies. All figures presented have been rounded, and consequently the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

Consolidation principles

The consolidated financial statements include the Parent company Tietoevry Corporation and all subsidiaries over which the Parent company has directly or indirectly more than one half of the voting rights, or the Parent company is otherwise in control of the company. Control exists when the company is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is achieved until the date on which control ceases by using the acquisition method. Intra-group receivables, payables and transactions including dividends and internal profit are eliminated on consolidation. When necessary, subsidiaries' accounting policies have been aligned to correspond to the Group's accounting policies. The result for the period and items of other comprehensive income are attributable to the equity holders of the parent company.

Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euros, which is the Parent company's functional and presentation currency.

Foreign currency transactions are translated into local functional currencies using the exchange rates prevailing on the transaction date. The foreign currency monetary items are translated using period-end exchange rates. The foreign currency non-monetary items held at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined or remeasured. Other non-monetary items are recognized at the exchange rate prevailing on the transaction date.

For internal, long-term loans to subsidiaries, when classified as net investment in foreign operation, all related unrealized foreign exchange gains and losses are recognized in profit or loss in the separate financial statements. In the consolidated financial statements, such exchange differences are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

Other foreign exchange gains and losses related to business operations are included in operating profit. Foreign exchange gains and losses associated with financing are recognized in finance income and expenses.

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For Group entities whose functional and presentation currency is other than the euro, the income statements and statements of financial position are translated into the Group presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated using the exchange rates prevailing at the reporting date;
- income and expenses for each income statement are translated using the average exchange rates of the reporting period;
- all resulting translation differences are recognized in other comprehensive income.

When a subsidiary is sold, any translation differences are recognized in the consolidated income statement as part of the gain or loss on the sale.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into euro using the exchange rates prevailing at the reporting date. Translation differences arising are recognized in other comprehensive income.

3. Adoption of new and amended IFRS standards and interpretations

The following amendments to IFRS standards became effective on 1 January 2023. They have not had a material impact on the amounts reported or on the disclosures in these financial statements.

- Amendments to IAS 1 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules
- IFRS 17 Insurance Contracts

New and revised IFRS standards in issue but not yet effective

At the date of authorization of these financial statements, the Group has not applied the new and revised IFRS standards that have been issued but are not yet effective. Management does not expect the adoption of these to have a material impact on the Group's financial statements in future reporting periods. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective and are endorsed by the EU.

4. Use of judgements and estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported and disclosed at the reporting date. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from the estimates. In addition, management judgement is required in the application of accounting policies, especially when IFRS permits alternative accounting, valuation and presentation methods.

Management believes that the following accounting principles represent those matters, where management judgement has the most significant effect on the amounts recognised or where different estimate could result in significant adjustment to reported carrying amounts within the next financial year. These are described in more detail in the related notes.

Accounting principle	Estimates made	Judgement applied	Note
Valuation of goodwill	X	X	11
Provisions	X		16
Deferred taxes	X		9

Further, management has considered the impact of climate change when preparing the consolidated financial statements. There has not been any material impact on judgements and estimates arising from those considerations.

PERFORMANCE FOR THE YEAR

This section comprises disclosures related to the performance of the Group, including segment information, revenue recognition, other operating income and expenses, as well as information on employee benefits, taxes and earnings per share

5. Segment information

Tietoevry Group is comprised of five operating segments: Tietoevry Create, Tietoevry Banking, Tietoevry Care, Tietoevry Industry, and Tietoevry Tech Services. From 1 April 2023, Tietoevry Transform and Tietoevry Connect were combined to form Tietoevry Tech Services. In 2023, the financials of Tietoevry Tech Services are reported as a new segment and the comparative information has been restated accordingly.

ACCOUNTING POLICIES

The operating segments are reported in a manner consistent with the internal reporting provided to the Group Executive Management, which has been identified as Tietoevry's chief operating decision maker being responsible for allocating resources and assessing performance of the operating segments as well as deciding on strategy.

The Group Executive Management assesses the profitability of segments principally on the basis of adjusted operating profit (EBITA). Operating profit (EBIT) is, however, also an essential measure and is disclosed in this segment note as it is most consistent with the result reported in accordance with IFRS. Transactions between the segments are made on a market-terms basis.

Eliminations include internal revenue between operating segments and Group function sales of internal services to the business. Non-allocated costs relate to Global management and Support functions and are shown separately in the operating profit (EBIT).

Tietoevry Create

Tietoevry Create is a leading accelerator for digital innovation and cloud-native development, providing business advisory and design, data engineering and specialized software R&D services across a range of industry sectors. It is a market-leading vendor in the Nordics and expanding in international markets. Tietoevry Create has competence centres in Europe, India, China and the Americas – they leverage their expertise and the latest technologies to support clients from nearly 20 countries.

Tietoevry Banking

Tietoevry Banking is modernizing the financial sector in the Nordics and globally with modular, pre-integrated Banking-as-a-Service and a full suite of market-leading, scalable software and services within domains such as payments, cards, wealth management, financial crime prevention and credit. Built by unmatched industry expertise, the solutions help accelerate growth through digital customer engagement, real-time operational efficiency and regulatory compliance.

Tietoevry Care

Tietoevry Care offers modular, open and interoperable software for customers in the health and social care sectors to enhance the care experience across the Nordics. Using advanced analytics and embedded AI, it provides decision support and process automation. Demand for software and services in healthcare segments such as hospitals, primary and secondary care, as well as elderly, home and family care is increasing rapidly on the back of the growing demand for better care outcomes, improved citizen experience, higher staff satisfaction and increased efficiency.

Tietoevry Industry

Tietoevry Industry provides industry-specific software and data platform services for customers looking to enhance their critical processes – with software increasingly delivered as a service. Product areas include software for case management, pulp & paper, education, and energy and utilities. Furthermore, data platform services deliver data in processes such as billing & invoicing and industry messaging. Tietoevry Industry has extensive industry knowledge and in-depth expertise in utilizing data to create insights and add value across core business and operational processes.

Tietoevry Tech Services

Tietoevry Tech Services is a Nordic multi-cloud platform provider with a full range of infrastructure choices at scale – aiming to ensure resilience, security and compliance for customers' business. Its business comprises application and data services, cloud platforms and security services, traditional Infrastructure services and user experience services. It drives enterprise-wide transformation for customers from modernizing existing IT infrastructure and the renewal of core business applications to next-generation services and data and AI services. Tietoevry Tech Services is the leading provider of managed services in the Nordics, and delivers services to customer operations in more than 90 countries.

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Disaggregation of revenue by segment

EUR million	2023	2022	Change %
Tietoevry Create	851.2	849.0	0
Tietoevry Banking	567.2	571.1	-1
Tietoevry Care	236.5	231.4	2
Tietoevry Industry	262.6	272.6	-4
Tietoevry Tech Services	1 074.7	1 171.4	-8
Eliminations	-140.7	-167.4	-16
Group total	**2 851.4**	**2 928.1**	**-3**

Customer revenue from fixed-price contracts by segment

EUR million	2023	2022
Tietoevry Create	23.7	18.3
Tietoevry Banking	19.9	21.8
Tietoevry Care	3.0	3.5
Tietoevry Industry	2.6	2.5
Tietoevry Tech Services	25.0	15.6
Group total	**74.2**	**61.6**

No single customer represents 10% or more of revenue.

Operating profit (EBIT) by segment

EUR million	2023	2022	Change %
Tietoevry Create	94.9	91.2	4
Tietoevry Banking	42.9	49.1	-13
Tietoevry Care	68.9	72.2	-5
Tietoevry Industry	36.9	51.9	-29
Tietoevry Tech Services	51.9	42.3	23
Non-allocated costs	-39.8	-40.2	-1
Group total	**255.6**	**266.5**	**-4**

For more information, see notes 7 and 27.

Operating margin (EBIT) by segment

%	2023	2022	Change pp
Tietoevry Create	11.1	10.7	0
Tietoevry Banking	7.6	8.6	-1
Tietoevry Care	29.1	31.2	-2
Tietoevry Industry	14.0	19.0	-5
Tietoevry Tech Services	4.8	3.6	1
Operating margin (EBIT)	**9.0**	**9.1**	**0**

Customer revenue by country

EUR million	2023	2022	Change %
Finland	644.2	640.2	1
Sweden	901.3	947.3	-5
Norway	948.6	1 016.7	-7
Other	357.2	323.9	10
Group total	**2 851.4**	**2 928.1**	**-3**

The distribution of revenue by country is based on the invoicing country.

Non-current assets by country

EUR million	31 Dec 2023	31 Dec 2022	Change %
Finland	110.9	119.0	-7
Sweden	110.7	120.1	-8
Norway	331.4	368.4	-10
Other	71.3	28.3	> 100
Group total	**624.3**	**635.8**	**-2**

Non-current assets include property, plant and equipment, right of use assets and intangible assets excluding goodwill.

Personnel by segment

	End of period				Average	
	2023	2022	Change %	Share %	2023	2022
Tietoevry Create	9 618	8 989	7	40	9 248	8 871
Tietoevry Banking	3 509	3 454	2	15	3 518	3 500
Tietoevry Care	1 557	1 480	5	6	1 539	1 425
Tietoevry Industry	1 644	1 682	-2	7	1 666	1 703
Tietoevry Tech Services	7 255	8 036	-10	30	7 621	8 214
Group functions	576	678	-15	2	589	689
Group total	**24 159**	**24 320**	**-1**	**100**	**24 181**	**24 401**

Personnel by country

	End of period				Average	
	2023	2022	Change %	Share %	2023	2022
Sweden	3 856	4 029	-4	16	3 980	4 097
Norway	3 922	3 990	-2	16	3 951	4 102
Finland	3 015	3 134	-4	12	3 101	3 151
India	4 308	4 499	-4	18	4 390	4 601
Czech Republic	2 381	2 694	-12	10	2 497	2 631
Ukraine	1 728	2 037	-15	7	1 835	2 135
Latvia	1 070	1 072	0	4	1 091	1 041
China	1 044	1 066	-2	4	1 053	978
Poland	839	776	8	3	833	720
Bulgaria	780	32	> 100	3	350	18
Other	1 217	991	23	5	1 100	929
Group total	**24 159**	**24 320**	**-1**	**100**	**24 181**	**24 401**
Onshore countries	11 370	11 687	-3	47	11 586	11 869
Offshore countries	12 789	12 633	1	53	12 595	12 533
Group total	**24 159**	**24 320**	**-1**	**100**	**24 181**	**24 401**

Depreciation by segment

EUR million	2023	2022	Change %
Tietoevry Create	6.6	6.7	-1
Tietoevry Banking	4.8	4.8	2
Tietoevry Care	1.0	0.9	8
Tietoevry Industry	0.7	0.6	16
Tietoevry Tech Services	44.6	42.4	5
Group functions	40.8	48.4	-16
Group total	**98.5**	**103.8**	**-5**

Amortization on other intangible assets by segment

EUR million	2023	2022	Change %
Tietoevry Create	0.1	0.1	-42
Tietoevry Banking	3.6	2.8	30
Tietoevry Care	2.5	1.6	50
Tietoevry Industry	0.2	0.3	-14
Tietoevry Tech Services	5.4	6.5	-18
Group functions	0.3	0.4	-26
Group total	**12.0**	**11.7**	**3**

Amortization of acquisition-related intangible assets by segment

EUR million	2023	2022	Change %
Tietoevry Create	10.0	10.1	-1
Tietoevry Banking	19.3	21.6	-11
Tietoevry Care	0.2	0.2	-7
Tietoevry Industry	4.7	6.2	-24
Tietoevry Tech Services	7.7	8.7	-11
Group functions	—	—	—
Group total	**41.8**	**46.7**	**-10**

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Impairment losses

In 2023, the Group recognised impairment losses on lease agreements for office and other facilities in Finland and Czech Republic totalling EUR 2.7 million. In addition, as a result of annual impairment testing, Tietoevry Create recognized a goodwill impairment loss of EUR 2.1 million for the carrying value of Tieto Esy Oy.

In 2022, Tietoevry Banking reached a settlement with a customer following their decision to exit a Nordic market and therefore to terminate an implementation project. Capitalized development work specific for this customer was written-off resulting in an impairment loss of EUR 18.7 million. See also note 6. In addition, Tietoevry Tech Services recognized an impairment loss of EUR 1.4 million for the joint venture Tietollmarinen, and bought the remaining 30% share of the company. Tietollmarinen has been consolidated as a 100% owned subsidiary since 31 December 2022. See also note 27.

6. Revenue

The business models of the Group consist of continuous services, software solutions, projects and consulting. Revenue comprises the fair value for the sale of IT services and software licenses, net of discounts and exchange rate differences.

ACCOUNTING POLICIES

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes consideration collected on behalf of third parties. The Group recognizes revenue when it transfers control of a good or service to a customer.

The Group typically provides customers with a variety of comprehensive services. The individual service delivery contracts are often structured under a common frame contract where general terms for the service delivery to the customer are defined. The content of the delivery, performance obligations and pricing, are defined in the service delivery contracts. Management judgement is used to determine the basis for the revenue recognition; either an individual service delivery contract or a group of combined contracts.

Revenue from service contracts is based on service volumes or time and materials and the performance obligations are recognized over the accounting period in which the services are rendered or project is delivered. The services are generally satisfied and the control transferred to the customer over time given that either the customer simultaneously receives and consumes the benefits provided by the Group, or the Group's performance does not create an asset with an alternative use for the Group, in which case there is an enforceable right to payment for work completed to date.

In the majority of the businesses providing continuous services, time and material projects and consulting, the performance obligations satisfied are invoiced on a monthly basis. At the time of invoicing, a receivable is recognized by the Group as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The standard payment term is 30 days according to the Group's Credit Policy.

Goods, typically distinct licenses, that provide a right to use the software, are invoiced on delivery. The license revenue is recognized at a point in time when the license is delivered, the legal title has passed, the customer has accepted the license and has access to the licensed software. Distinct licenses, that provide a right to access the software, are recognized over the contract period. Contract assets or liabilities do not typically arise in the businesses described above.

For contracts comprising fixed-price projects, revenue is recognized based on the actual service provided by the reporting date as a proportion of the total services to be provided. This is determined based on the cost of actual labour hours spent relative to the total expected cost of labour hours, as it best reflects the transfer of control to the customer. Estimates of revenues, costs or progress towards completion are revised if circumstances change and any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. Invoicing and customer payments in the fixed-price projects follow the payment schedule defined in the customer contract. If the services rendered by the Group exceed the payment, a contract asset is recognized, and if the payments exceed the services rendered, a contract liability is recognized.

The customer contracts of the Group typically comprise several of the business models described above. The most appropriate presentation on how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors is considered to be the disaggregation of revenue by segment, presented in the segment information note 5. The disaggregation of customer sales from long-term fixed-price contracts by segment represents the revenue from contracts for which the risks are different compared to other contracts with customers.

Some contracts include delivery of hardware together with a variety of services from the Group. Hardware is usually provided by another service provider. The installation of hardware is simple, does not include an integration service from the Group and could be performed by another party. It is, therefore, accounted for as a separate performance obligation. In these contracts, Tietoevry acts as an agent, if the Group does not obtain control of the hardware provided by another party before it is transferred to the customer, or as a principal if control is obtained.

Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices, which are observable from the contracts and represent prices for services rendered in similar circumstances to similar customers. Revenue from contracts granting a discount retrospectively to the customer is recognized based on the price specified in the contract, net of the estimated discounts. Discounts are estimated based on management's experience of the earlier purchases of the customers under similar contracts. This estimation is regularly updated during the contract period. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In settlement agreement cases, consideration paid to customers is reduced from revenue when a settlement agreement is signed with the customer. Consideration received from customers is recognized as revenue or other operating income depending on the facts and circumstances.

The Group grants assurance type of warranties which guarantee that the delivery complies with agreed specifications. These are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

The Group capitalizes material costs of set-up activities related to transition or implementation projects in the initial phase of continuous operating service contracts, when the criteria for capitalization according to IFRS 15 are met. Management judgement has been used when developing internal guidance on the tasks defined as set-up activities in the Group. The set-up activities do not result in the transfer of a promised good or service and are not identified as a performance obligation to the customer. The capitalized costs of a contract are amortized during the period when the revenue for the related continuous operating service contract is recognized.

Assets and liabilities related to contracts with customers

EUR million	Note	31 Dec 2023	31 Dec 2022	1 Jan 2022
Trade receivables	14	476.8	408.9	372.8
Contract assets	14	58.4	32.0	52.5
Contract liabilities, non-current	17	6.8	16.9	29.2
Contract liabilities, current	17	77.3	67.2	73.5

In 2023, increases due to acquisitions (see note 25) were EUR 7.9 million in trade receivables and EUR 0.1 million in contract liabilities. In 2022, decreases due to business disposals were EUR 1.7 million in trade receivables, EUR 0.5 million in contract assets and EUR 1.1 million in contract liabilities.

Revenue recognised from the opening balance of contract liabilities was EUR 60.3 (62.7) million.

In 2022, Tietoevry Banking reached a settlement with a customer following their decision to exit a Nordic market and therefore to terminate an implementation project. Tietoevry received compensation of EUR 29.4 million, of which EUR 13.5 million was realized against unbilled revenue within contract assets and EUR 15.9 million was recognized as Other operating income.

Order backlog

The transaction price allocated to all fully or partially unsatisfied performance obligations (order backlog) amounted to EUR 3 236 (3 327) million at the end of the year. Of the backlog, 54% is expected to be recognized as revenue during 2024. The order backlog includes all signed customer orders that have not been recognized as revenue, including estimates of the value of consumption-based contracts.

Assets recognized from costs to fulfil a contract

EUR million	2023	2022
Capitalized set-up costs on 31 Dec	5.8	11.8
Amortization of capitalized set-up costs	6.6	8.4

In the statement of financial position, capitalized set-up costs of EUR 0.4 (6.8) million are presented within other non-current receivables and the current portion of EUR 5.4 (4.9) million in trade and other receivables.

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7. Other operating income and expenses

Other operating income includes income other than that associated with the principal activities of Tietoevry, such as capital gains and foreign exchange gains on derivatives. Other operating expenses mainly relate to information and communication technology and premises related costs as well as professional services, such as consulting, and marketing. Costs related to shared platforms in infrastructure services are recognized in other operating expenses when they are not directly linked to any specific customer.

ACCOUNTING POLICIES

Government grants

Government grants are recognized as other operating income on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

Research and development costs

Research costs are expensed when incurred. Development costs related to major new software products are capitalized as intangible assets when it is probable that the development will generate future economic benefits for the Group, and certain criteria related to commercial and technological feasibility are met. Development costs comprise service and solution development focusing on, for example, industry-specific software, customer experience management and security services, as well as cloud services. Additionally, the costs for related internal development e.g. automation in infrastructure services, are included in development costs.

Other operating income

EUR million	2023	2022
Gain on sale of property, plant and equipment, and business operations	7.1	1.4
Change in fair value of derivatives	7.2	9.2
Government grants	2.5	3.4
Joint venture management fees	0.6	1.3
Other	4.9	34.8
Total	**22.2**	**50.2**

Tietoevry Tech Services completed a sale and partial leaseback transaction in December 2023 with the sale of a data centre and office building in Norway for total consideration of EUR 11.2 million. The net liability for the partial leaseback amounts to EUR 3.6 million. Tietoevry Tech Services recognized a net gain of EUR 6.0 million on the sale in other operating income.

In 2022, Tietoevry Banking reached a settlement with a customer following their decision to exit a Nordic market and therefore to terminate an implementation project. Tietoevry received compensation of EUR 29.4 million, of which EUR 15.9 million was recognized as Other operating income. See note 6. In addition, Tietoevry Industry received insurance compensation of EUR 12.3 million related to the ending of Tietoevry's SmartUtilities platform in 2020.

Other operating expenses

EUR million	2023	2022
Information and communication technology[1)]	193.7	207.1
Premises related costs	44.6	51.3
Professional services and marketing	43.4	43.0
Other operating expenses	47.2	61.1
Total	**328.9**	**362.6**

[1)] In connection with the changes in the company's legal structure, certain customer contracts have been moved between Tietoevry Tech Services and Tietoevry Banking. This includes costs related to shared platforms, which have been reclassified from Other operating expenses to Materials and Services, as such costs are recognized in Materials and Services when directly linked to specific customers.

Fees to auditors

EUR million	2023	2022
Audit fees	1.6	1.3
Audit related	0.3	0.1
Tax advisory	0.0	0.1
Other services	0.3	0.4
Total	**2.1**	**1.9**

Development costs

Tietoevry's development costs amounted to approximately EUR 129.3 (124.6) million, representing 4.5% (4.3) of the Group's revenue. Of these costs, EUR 44.7 (37.2) million were capitalized. In 2023, the focus was on developing industry-specific software, especially solutions for Financial Services and Healthcare.

8. Employee expenses

Employee expenses consist of wages and salaries and related social costs. Tietoevry has also post-employment benefit plans as well as share-based incentive plans for key employees. Termination benefits refer to benefits arising from termination of employment, not performance at work.

ACCOUNTING POLICIES

Employee benefits are recognised in the period in which services are rendered by the employees. Termination benefits are recognised at the time an agreement between the Group and the employee is made and no future service is rendered by the employee in exchange for the benefits.

Share-based incentive plans

Tietoevry has share-based incentive plans for its key employees which are accounted for as equity-settled. The plans are valued at fair value based on the market price of Tietoevry shares at the grant date and recognized as an employee benefit expense during the vesting period with a corresponding entry in equity. At each reporting date, the number of shares that are expected to vest from the Group's share-based incentive plans is revised. As part of this evaluation, the changes in the forecasted performance of the Group, the expected turnover of the personnel participating in the plans and other information impacting the number of shares to vest, is taken into consideration. Any adjustments to the initial estimates are recognized in profit or loss and a corresponding adjustment is made to equity. In countries where the reward is intended to be paid fully in cash, the costs are accounted for as cash-settled. Social costs paid on top of the reward are accounted for as cash-settled.

Employee expenses

EUR million	2023	2022
Wages and salaries[1]	1 219.3	1 247.9
Post-employment benefits		
Defined contribution plans	92.4	100.1
Defined benefit plans	2.2	2.1
Other benefits	23.8	23.8
Other pay related statutory social costs	218.2	219.1
Share-based payments	8.7	7.5
Other personnel expenses	1.4	0.8
Total	**1 566.0**	**1 597.2**

[1] Includes termination benefits

Management remuneration

	2023		2022	
EUR thousand	President and CEO	Leadership team	President and CEO	Leadership team[2]
Salaries and benefits	875.0	3 339.4	853.5	3 082.3
Bonuses[1]	642.3	1 088.7	991.6	1 273.6
Share-based payments	1 105.6	2 415.3	514.4	906.2
Statutory pensions	214.8	460.2	136.5	415.8
Supplementary pensions	213.3	458.7	205.1	323.5
Total	**3 051.0**	**7 762.3**	**2 701.1**	**6 001.4**

[1] In 2023 the bonuses are based on estimates. The comparative information has been updated based on the amounts paid

[2] The comparative information for the Leadership team has been updated based on amounts paid and final estimates for accruals

The table includes management remuneration based on the time as a member in the Leadership team and it is presented on an accrual basis, except as noted above.

The President and CEO, Kimmo Alkio is entitled to a bonus corresponding to a maximum of 150% of the annual base salary based on the Group's external revenue, profit, cash-flow and achievement of strategic goals when achievements exceed the targets set. The annual contribution for the President and CEO's supplementary pension arrangement is 23% of the annual base salary. The President and CEO's retirement age is 63. In case his assignment is terminated, the period of notice is 12 months and the severance payment is equivalent to the base salary and the short-term target incentive for six months, in addition to the salary for the notice period. The President and CEO participates in the Long-term incentive programmes according to respective terms and conditions decided by the Board of Directors. In 2023, after deductions for applicable taxes, a total of 29 563 (15 472) shares were delivered to the President and CEO.

Generally, the other Leadership team members are entitled to a bonus corresponding to a maximum of 100% of the annual base salary based on their individual goals when achievements exceed the targets set. The annual contribution for the Leadership team members' supplementary pension arrangement is up to 15% of the annual base salary. The retirement age of the Leadership team members is according to national legislation. The termination terms vary and the amounts correspond to the periods of notice. The Leadership team members participate in the Long-term incentive programmes according to respective terms and conditions decided by the Board of Directors. In 2023, after deductions for applicable taxes, a total of 54 445 (22 201) shares were delivered to the Leadership team members.

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Remuneration for the Board of Directors

EUR thousand	2023	2022
Board members at 31 Dec 2023		
Tomas Franzén, Chairperson Board and RC	173.0	169.3
Harri-Pekka Kaukonen, Deputy Chairperson, Chairperson ARC	106.4	102.9
Bertil Carlsén[3]	75.7	–
Elisabetta Castiglioni[3]	74.9	–
Liselotte Hägertz Engstam	77.3	79.7
Katharina Mosheim	77.3	78.9
Gustav Moss[1]	81.3	–
Endre Rangnes	82.9	78.1
Petter Söderström[3]	81.3	–
Timo Ahopelto, Deputy Chairperson[2]	2.4	99.6
Niko Pakalén[2]	3.2	86.1
Angela Mazza Teufer[2]	0.8	64.1
Leif Teksum[3]	–	2.4
Tommy Sander Aldrin, personnel rep.[1]	15.0	–
Anders Palkfint, personnel rep.[1]	15.0	–
Thomas Slettemoen, personnel deputy rep.[1]	7.5	–
Ilpo Waljus, personnel deputy rep.[1]	7.5	15.0
Robert Spinelli, personnel rep.[2]	–	15.0
Sigve Sandvik Lærdal, personnel deputy rep.[2]	–	–
Total	881.5	791.1

[1] As of 23 March 2023
[2] Until 23 March 2023
[3] Until 24 March 2022

Each member of the Board of Directors receives a fixed annual remuneration and additional meeting based remuneration. According to the decision by the Annual General Meeting, the yearly remuneration is as follows: Chairperson EUR 133 000, Deputy Chairperson EUR 72 000, and ordinary member EUR 54 500. In addition to these fees, the Chairperson of a permanent Board Committee receives an annual fee of EUR 20 000 and a member of a permanent Board Committee receives an annual fee of EUR 10 000. In addition, remuneration of EUR 800 is paid to the Board members elected by the Annual General Meeting for each Board of Director's meeting, permanent committee or temporary subgroup meeting. Further, remuneration for employee representatives elected as ordinary members of the Board of Directors will be an annual fee of EUR 15 000, and remuneration for the deputy members will be EUR 7 500. Remuneration for the employee representatives is paid in cash only.

The Annual General Meeting also approved that part of the fixed annual remuneration may be paid in the company's shares purchased from the market. An elected member of the Board of Directors may, at his/her discretion, choose to receive the fee from the following five alternatives:

1. No cash, 100% in shares
2. 25% in cash, 75% in shares
3. 50% in cash, 50% in shares
4. 75% in cash, 25% in shares, or
5. 100% in cash, no shares.

The shares will be purchased in accordance with an acquisition programme prepared by the company. If the remuneration cannot be paid in shares due to insider regulation, termination of the Board member's term of office or other reason relating to the member of the Board, the remuneration shall be paid fully in cash. In addition to the share remuneration, the Board members do not belong to or are not compensated with other share-based arrangements, nor do the members have any pension plans at Tietoevry except the employee representatives.

The Shareholders' Nomination Board based on shareholdings as at 31 August 2023 consisted of the following representatives announced by Tietoevry's shareholders:

- Annareetta Lumme-Timonen, Investment Director, Solidium Oy
- Alexander Svensson, Vice President, Cevian Capital AG
- Alexander Kopp, Investment Manager, Incentive AS
- Mikko Lantto, Chief Technology and Development Officer, Ilmarinen Mutual Pension Insurance Company
- Tomas Franzén, Chairperson of the Board of Directors, Tietoevry Corporation.

Share-based incentive plans

The aim of Tietoevry's share-based incentive plans is to align the objectives of shareholders and key employees in order to increase the value of the company in the long-term. At the end of 2023, Tietoevry's share-based incentive plans included Performance Share Plans 2021–2023, 2022–2024 and 2023–2025 as well as Restricted Share Plans 2021–2023, 2022–2024 and 2023–2025. The rewards from the plans will be paid partly in the company's shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the reward.

As a rule, no reward will be paid, if a participant's employment or service ends before the reward payment. The Board of Directors anticipates that share rewards to be delivered to the participants under the plans will consist of shares to be acquired from the market. Thus, no new shares will be issued in connection with the plans.

The Performance Share Plan 2020–2022 and the Restricted Share Plan 2020–2022 ended in 2023. Based on the achievements of the targets, a total of 565 314 gross shares were earned and of these 302 789 net shares were delivered to the participants. Tietoevry used its treasury shares for the reward payments. In 2023, the following gross shares were earned and paid fully in cash to participants who left Tietoevry in accordance with the plan rules: a total of 20 884 gross shares under Performance Share Plan 2021-2023, a total of 14 951 gross shares under Performance Share Plan 2022-2024 and a total of 118 gross shares under Performance Share Plan 2023-2025.

The estimated future cash payment to be made to the tax authorities from share-based payments is EUR 9.3 million.

Main terms and conditions of the share-based incentive plans

Performance Share Plan			
	2021–2023	2022–2024	2023–2025
Plan launched	16 February 2021	16 February 2022	14 February 2023
Performance period	2021–2023	2022–2024	2023–2025
Vesting conditions	Relative Total Shareholder Return of Tietoevry share (TSR), strategic target related to Tietoevry's growth and Tietoevry's Earnings per Share (EPS). Valid employment or director agreement of a key employee upon the reward payment.	Relative and absolute Total Shareholder Return of Tietoevry share (TSR), Revenue growth and ESG target. Valid employment or director agreement of a key employee upon the reward payment.	Relative Total Shareholder Return of Tietoevry share (TSR) and ESG targets (gender diversity and CO2 reduction). Valid employment or director agreement of a key employee upon the reward payment.
Exercised	In shares and cash in 2024	In shares and cash in 2025	In shares and cash in 2026
Number of participants on 31 Dec 2023	81	464	512
Other	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 375 130 Tietoevry gross shares.	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 845 818 Tietoevry gross shares.	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 890 740 Tietoevry gross shares.

Restricted Share Plan			
	2021–2023	2022–2024	2023–2025
Plan launched	16 February 2021	16 February 2022	14 February 2023
Vesting period	2021–2023	2022–2024	2023–2025
Vesting conditions	Valid employment or director agreement of a key employee upon the reward payment.		
Exercised	In shares and cash in 2024	In shares and cash in 2025	In shares and cash in 2026
Number of participants on 31 Dec 2023	373	142	152
Other	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 189 763 Tietoevry gross shares.	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 57 235 Tietoevry gross shares.	On 31 Dec 2023, rewards to be paid correspond to the value of approximate number of 52 598 Tietoevry gross shares.

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Assumptions made in determining the fair value of Tietoevry's Share-based incentive plans

For Performance Share Plans and Restricted Share Plans, the fair value has been determined at grant using the fair value of the company share as of the grant date and expected dividends. Market-based performance metric outcome probability is estimated using Monte-Carlo simulation.

The fair value of social costs settled in cash are remeasured at each reporting date until settlement.

For share plan grants made in 2023, the fair value of the part recognised in equity has been determined at grant date using the following assumptions. The part recognised as a liability is based on the share price at the end of the reporting period:

- Share price at grant: EUR 22.70
- Expected dividends: EUR 3.61
- Risk-free interest rate: 3.07%
- Expected volatility (historical daily observations over corresponding maturity): 23.2%
- Contractual life: 2.8 years
- Fair value at grant: EUR 12.22
- Share price at year-end: EUR 21.54

Share-based payments included in employee benefit expenses

EUR million	2023	2022
Equity-settled share-based incentive plans	9.5	6.9
Cash-settled share-based incentive plans	0.1	0.0
Social costs settled in cash[1)]	0.9	1.3
Total	10.5	8.2

[1)] Social costs from all plans are reported as cash-settled.

Share option programme transferred from EVRY - settled in 2022

As part of the Merger plan, it was agreed that EVRY's incentive plans will continue and will be transformed in a value neutral way into restricted stock units or performance shares in the combined company, with equivalency on all material respects with regards to economic value, vesting conditions and other terms and conditions, taking into account the strike price of the options and by applying an option conversion ratio of 1:0.1423. Any existing right for EVRY to settle options and/or restricted stock units under the plans in cash, will continue as a right for the combined company. The final reward instalment from Long-Term Incentive Plan 2018 was paid in 2022. Based on the achievements of the targets, a total of 54 061 gross shares were earned and of these, 26 442 net shares were delivered to the participants. Tietoevry used its treasury shares for the reward payments.

9. Income taxes

Income tax expenses comprise current and deferred tax. Deferred tax assets and liabilities charged by the same tax authority are netted and, therefore, shown net on the statement of financial position.

ACCOUNTING POLICIES

Tax expense for the period includes current taxes of the Group companies based on taxable profit for the year, together with tax adjustments for previous years and changes in deferred taxes. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the related income tax is also recognized in other comprehensive income or directly in equity, respectively. The share of results in joint ventures is reported in the income statement based on the net result and thus, including the income tax effect.

Deferred income tax is recognized, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements as well as on tax loss carry forwards. Deferred income tax is determined using the tax rates and laws which have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred taxes are not recognized on temporary differences related to investments in subsidiaries to the extent that they will probably not be reversed in the foreseeable future.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The deferred tax assets and liabilities arising from consolidation are recognized in the consolidated statement of financial position if it is probable that the related tax effects will occur.

ACCOUNTING ESTIMATES AND JUDGEMENTS

At each reporting date, management estimates the amount of probable future taxable profits against which unused tax losses can be utilized. As the actual profits may differ from the forecasts, the change will affect the taxes in future periods.

The group operates globally and is, therefore subject to changing tax laws in multiple jurisdictions. The interpretation of tax legislation requires management judgement, and the applied interpretations may include uncertainties.

Income tax expense in income statement

EUR million	2023	2022
Current taxes	40.4	43.7
Change of deferred taxes	11.2	5.8
Taxes for prior years	-3.0	4.7
Total	**48.6**	**54.2**
Reconciliation of income tax expense		
Profit before taxes	220.8	242.8
Tax calculated at the domestic corporation tax rate of 20%	44.2	48.6
Effect of different tax rates in foreign subsidiaries	2.8	2.4
Taxes for prior years	-3.0	4.7
Deferred taxes from previous year	0.1	-4.9
Tax effect of non-deductible expenses and tax exempt income	1.3	2.3
Tax on foreign dividend distribution	4.6	2.9
Other items	-1.4	-1.8
Total	**48.6**	**54.2**
Effective tax rate, %	22.0	22.3

OECD Pillar Two income taxes

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global Anti-Base Erosion model rules, or "GloBE") to reform international corporate taxation. Tietoevry is within the scope of the Pillar Two model rules. The relevant legislation was enacted in Finland, the country of incorporation for Tietoevry Corporation, and is effective from 1 January 2024.

Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two taxes.

Under the model rules, the Group is liable to pay top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum tax rate. Management has assessed that the Group will not have material exposure to Pillar Two income taxes in any of its jurisdictions.

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Movements in deferred tax assets and liabilities during the year

EUR million	1 Jan 2023	Charged to income statement	Charged to other comprehensive income	Acquisitions and disposals	Other changes	31 Dec 2023
Deferred tax asset						
Tax losses carried forward	39.0	-7.1	–	–	-8.3	23.6
Property, plant and equipment	10.8	5.9	–	–	-0.2	16.6
Lease liabilities	43.5	-2.7	–	0.3	-1.0	40.1
Employee benefits	10.2	-0.4	-0.1	–	-0.4	9.3
Provisions	3.0	-1.2	–	–	-0.1	1.6
Revenue recognition	6.3	-2.3	–	–	-0.4	3.6
Other temporary difference	4.2	0.3	–	0.1	-3.4	1.2
Total gross	**117.1**	**-7.5**	**-0.1**	**0.4**	**-13.8**	**96.1**
Offset against deferred tax liabilities	-102.5					-84.2
Total net	**14.6**					**11.8**
Deferred tax liability						
Intangible assets	48.4	-7.6	–	5.6	-3.7	42.8
Right-of-use assets	39.9	-3.9	–	0.3	-1.0	35.4
Untaxed reserves	10.7	-0.7	–	–	0.1	10.1
Other temporary difference	14.2	15.7	0.1	–	-6.5	23.5
Total gross	**113.2**	**3.6**	**0.1**	**5.9**	**-11.0**	**111.7**
Offset against deferred tax assets	-102.5					-84.2
Total net	**10.7**					**27.5**
Net deferred tax asset	**3.9**	**-11.2**	**-0.2**	**-5.5**	**-2.8**	**-15.7**

The majority of the deferred tax assets and liabilities is expected to be recovered after more than 12 months.

On 31 December 2023, the Group's unused tax loss carry forwards amounted to EUR 108.9 (177.4) million pertaining to deferred tax assets of EUR 23.6 (39.0) million. These losses relate mainly to Norway and Sweden and have no expiry date. Based on profit forecasts, it is probable that there will be sufficient future taxable profits available against which these tax losses can be utilized.

On 31 December 2023, the Group had tax loss carry forwards amounting to EUR 0.4 (0.7) million pertaining to deferred tax assets of EUR 0.1 (0.1) million, which were not recognized due to uncertainty of utilization.

The Group does not have any material uncertain tax positions in accordance with IFRIC 23 Uncertainty over Income Tax Treatments.

EUR million	1 Jan 2022	Charged to income statement	Charged to other comprehensive income	Other changes	31 Dec 2022
Deferred tax asset					
Tax losses carried forward	49.6	-9.8	–	-0.8	39.0
Property, plant and equipment	7.7	3.2	–	0.1	10.8
Lease liabilities	46.0	-0.4	–	-2.1	43.5
Employee benefits	11.8	-0.7	-0.4	-0.5	10.2
Provisions	3.6	-0.4	–	-0.2	3.0
Revenue recognition	9.5	-2.8	–	-0.4	6.3
Other temporary difference	4.7	-0.6	–	0.1	4.2
Total gross	**132.9**	**-11.4**	**-0.4**	**-4.0**	**117.1**
Offset against deferred tax liabilities	-113.8				-102.5
Total net	**19.1**				**14.6**
Deferred tax liability					
Intangible assets	64.1	-14.4	–	-1.3	48.4
Right-of-use assets	41.4	0.5	–	-2.0	39.9
Untaxed reserves	9.5	2.0	–	-0.8	10.7
Other temporary difference	7.9	6.3	–	–	14.2
Total gross	**122.9**	**-5.6**	**–**	**-4.1**	**113.2**
Offset against deferred tax assets	-113.8				-102.5
Total net	**9.1**				**10.7**
Net deferred tax asset	**10.0**	**-5.8**	**-0.4**	**0.1**	**3.9**

10. Earnings per share

The total number of Tietoevry's shares on 31 December 2023 amounted to 118 425 771. At the end of the reporting period, the number of own shares totalled 34 679, representing 0.03% of the total number of shares and voting rights.

ACCOUNTING POLICIES

Basic Earnings per share (EPS) is calculated by dividing the net profit attributable to the shareholders of the Parent company by the weighted average number of shares in issue during the year, excluding shares purchased by Tietoevry and held as own shares.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding during the year with the shares estimated to be delivered based on the share-based incentive plans.

	2023	2022
Net profit for the financial year attributable to owners of the Parent company (EUR million)	172.2	188.6
Earnings per share (EUR)		
Basic	1.45	1.59
Diluted	1.45	1.59
Weighted average number of shares during the year		
Basic	118 375 769	118 405 657
Effect of dilutive share-based incentive plans	271 334	203 952
Diluted	118 647 103	118 609 609

INVESTED CAPITAL AND WORKING CAPITAL ITEMS

This section includes disclosures describing the assets that form the basis for the activities of Tietoevry and the related liabilities.

11. Goodwill and other intangible assets

Tietoevry's intangible assets comprise mainly goodwill, internally developed software (capitalized development costs), and intangible assets acquired in business combinations, such as technology, trademarks and customer relationships. Intangible assets also include software licenses. Tietoevry does not have any intangible assets with indefinite useful lives other than goodwill.

ACCOUNTING POLICIES

Intangible assets other than goodwill are recognized initially at cost. An intangible asset is recognized only if it is probable that the future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. All other costs are expensed as incurred.

After initial recognition, intangible assets are measured at cost less amortization and accumulated impairment losses. Intangible assets are amortized over their useful lives with the straight-line method. Assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of the intangible asset exceeds its recoverable amount, an impairment loss equal to the difference is recognized in profit or loss.

Internally developed software

Development costs related to major new software products are capitalized as intangible assets when it is probable that the development will generate future economic benefits for the Group, and certain criteria related to commercial and technological feasibility are met. Development projects are analysed individually to determine the moment when the project has reached a milestone after which capitalization of development costs can start. Only costs which are directly attributable to the development are capitalised.

Subsequent to initial recognition, these costs are measured at cost less accumulated amortization and impairment losses. The amortization period for internally developed software depends on the technology renewal cycle and contract duration. Internally developed software for which amortization has not yet started is tested for impairment on an annual basis by comparing the asset's carrying amount with its recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment loss equal to the difference is recognized in profit or loss.

Intangible assets recognised from acquisitions

Intangible assets acquired in business combinations are measured at fair value at the acquisition date. These are usually customer or technology related and have finite useful lives.

Gains and losses on disposal of intangible assets are included in other operating income and expenses.

The Group applies the following useful lives:

	Years
Software acquired separately	3
Other intangible assets	3–10
Technology related intangible assets recognized at fair value from acquisitions	3–15
Customer related intangible assets recognized at fair value from acquisitions	2–10
Trademark recognized at fair value from acquisitions	6
Internally developed software (capitalized development costs)	5–15

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Goodwill

Goodwill arising on a business combination represents the excess of the aggregate of the consideration transferred, the amount of non-controlling interests in the acquiree and previously held equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. It is not amortized, but tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, goodwill is allocated to the operating segments of the Group, which are the cash generating units (CGU) expected to benefit from the synergies of the business combination. If the carrying amount of goodwill allocated to the operating segments exceeds its recoverable amount, an impairment loss equal to the difference is recognized in profit or loss. The recoverable amount is the higher of the value in use represented by the net present value of future cash flows and the fair value less costs to sell. Impairment losses on goodwill are not reversed.

In respect of joint ventures, goodwill is included in the carrying amount of the investment.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are made when determining the fair values of assets acquired in a business combination. The valuation requires management to determine the appropriate valuation technique and inputs for fair value measurements, such as discount rate.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units (CGU) to which goodwill has been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the CGUs and an appropriate discount rate to calculate present value.

While management believes that the estimates and assumptions used are reasonable, there are uncertainties which could materially affect the valuations.

Intangible assets

EUR million	Goodwill	Software acquired separately	Intangible assets recognized from acquisitions[1]	Internally developed software[2]	Other	Advance payments	Total
Acquisition cost 1 Jan 2023	1 846.5	29.5	291.3	308.3	29.3	3.3	2 508.2
Acquisitions of subsidiaries	137.4	0.1	22.6	–	–	–	160.1
Additions	–	6.9	–	44.7	0.0	0.6	52.1
Disposals	–	-8.5	-17.3	-5.5	-9.9	–	-41.3
Reclassifications	–	2.3	–	–	0.7	-2.6	0.4
Translation differences	-76.6	-0.3	-14.7	-16.6	-0.1	-0.1	-108.4
Acquisition cost 31 Dec 2023	1 907.3	29.9	282.0	330.8	19.9	1.2	2 571.1
Accumulated amortization and impairments 1 Jan 2023	–	-22.6	-153.6	-122.6	-26.1	0.0	-324.9
Disposals	–	8.5	17.3	5.5	9.9	–	41.3
Amortization	–	-4.7	-41.8	-6.3	-1.1	–	-53.9
Impairments	–	–	–	–	–	–	–
Reclassifications	–	-0.4	–	–	0.0	–	-0.4
Translation differences	–	0.4	6.8	6.4	0.1	–	13.6
Accumulated amortization and impairments 31 Dec 2023	–	-18.7	-171.5	-117.0	-17.2	0.0	-324.3
Carrying value 1 Jan 2023	1 846.5	6.9	137.7	185.7	3.2	3.3	2 183.3
Carrying value 31 Dec 2023	1 907.3	11.2	110.6	213.9	2.8	1.2	2 246.8

[1] Includes technology and customer related intangible assets as well as trademarks recognized at fair value from acquisitions

[2] Comprises mainly the development of Tietoevry's Ultreia and Core banking & Payment solutions

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EUR million	Goodwill	Software acquired separately	Intangible assets recognized from acquisitions[1]	Internally developed software[2]	Other	Advance payments	Total
Acquisition cost 1 Jan 2022	1 943.7	49.6	308.6	285.9	38.2	3.5	2 628.9
Additions	–	2.7	–	37.2	0.9	2.7	43.5
Disposals	–	-25.2	–	–	-9.7	-0.7	-35.7
Reclassifications	–	3.6	–	-1.9	0.1	-2.2	-0.5
Translation differences	-97.1	-1.1	-17.3	-12.2	-0.1	-0.0	-128.0
Acquisition cost 31 Dec 2022	1 846.5	29.5	291.3	308.3	29.3	3.3	2 508.2
Accumulated amortization and impairments 1 Jan 2022	–	-42.5	-115.4	-103.3	-35.3	-0.7	-297.3
Disposals	–	25.2	–	–	9.7	0.7	35.7
Amortization	–	-6.0	-46.7	-4.8	-0.9	–	-58.5
Impairments	–	–	–	-18.7	–	–	-18.7
Reclassifications	–	-0.4	–	–	0.3	–	0.0
Translation differences	–	1.0	8.5	4.3	0.1	–	13.9
Accumulated amortization and impairments 31 Dec 2022	–	-22.6	-153.6	-122.6	-26.1	0.0	-324.9
Carrying value 1 Jan 2022	1 943.7	7.1	193.2	182.0	2.8	2.8	2 331.6
Carrying value 31 Dec 2022	1 846.5	6.9	137.7	185.7	3.2	3.3	2 183.3

[1] Includes technology and customer related intangible assets as well as trademark recognized at fair value from acquisitions.

[2] Comprises mainly the development of Tietoevry's Lifecare and Core banking & Payment solutions. In 2022, Tietoevry Banking reached a settlement with a customer following their decision to exit a Nordic market and therefore to terminate an implementation project. Capitalized development work specific for this customer was written-off resulting in an impairment loss of EUR 18.7 million. See also note 5.

Impairment testing of goodwill

The annual impairment testing was carried out in the fourth quarter of 2023 in line with Group accounting policy. The Group is organized into five businesses which are Tietoevry Create, Tietoevry Banking, Tietoevry Care, Tietoevry Industry, and Tietoevry Tech Services. From 1 April 2023, Tietoevry Transform and Tietoevry Connect were combined to form Tietoevry Tech Services, and the comparative information has been restated accordingly. The five businesses form the Group's operating segments, see note 5 for more information on the segments. The businesses form the cash-generating units (CGU) providing services to selected customers in their market segments, and represent the lowest level at which goodwill is monitored for internal management purposes.

Carrying amount of goodwill by CGU

EUR million	31 Dec 2023	31 Dec 2022
Tietoevry Create	697.7	575.5
Tietoevry Banking	308.7	325.9
Tietoevry Care	260.9	273.5
Tietoevry Industry	188.4	197.5
Tietoevry Tech Services	451.6	474.0
Total	**1 907.3**	**1 846.5**

Compared to 31 December 2022, the goodwill increased by EUR 137.4 million as a result of the acquisition of MentorMate and decreased by EUR 76.6 million due to exchange rate fluctuations.

As a result of the impairment testing, no impairment was identified.

Recoverable amounts

The recoverable amounts of the CGUs of Tietoevry are determined based on value-in-use calculations which are prepared using discounted cash flow projections. Annually, management of the Group defines the long-term ambitions and strategic objectives for the coming years taking into account, for example, industry growth forecasts obtained from external sources as well as salary increase assumptions. The strategic objectives serve as basis for the businesses' long-term plans which are reviewed and approved by the Group's top management.

The planning horizon covers a five-year period including key assumptions for sales growth rate, development of EBITDA, capital expenditure including investments for right-of-use assets, tax payments and changes in net working capital. Forecasted EBITDA margins are adjusted for expected efficiency improvements. The key assumptions used are based on past experience and reflects management's expectations of future development of sales prices, business mix, costs, market shares and volumes.

Subsequent to the five-year projection period, the terminal growth rate used is 2%, which is consistent with the long term inflation rates in the Nordic countries (as the primary locations) and does not exceed the expectations of growth in real terms.

Discount rate

The discount rate applied to the cash flow projections is the weighted average pre-tax cost of capital (WACC). The components of the WACC rates are risk-free rate, market risk premium, country risk premium, industry specific beta, cost of debt and debt equity ratio. The risk-free rate is based on 30-year German government bond adjusted by the weighted average inflation differential between Germany and the countries where each CGU has operations. The discount rates are also adjusted for the additional business risk of the CGUs. The pre-tax discount rates for the CGUs vary between 8.8% and 11.6%.

Assumptions used in discounting the cash flow projections by the CGUs:

2023	Five-year period 2024–2028	
	Terminal growth rate-%	Pre-tax WACC %
Tietoevry Create	2.0	11.6
Tietoevry Banking	2.0	9.1
Tietoevry Care	2.0	8.8
Tietoevry Industry	2.0	8.9
Tietoevry Tech Services	2.0	8.9

Sensitivity analysis

The value-in-use calculation for each CGU is most sensitive to changes in WACC and EBITDA margin assumptions. No reasonable change in key assumptions would result in recognition of an impairment loss in any of the CGUs. The CGU that is most sensitive to changes in assumptions in the goodwill impairment test is Tietoevry Tech Services, where a decrease of 2–3 percentage points in the long-term EBITDA margin would cause the recoverable amount of this CGU to equal the carrying amount. The recoverable amount for Tietoevry Tech Services exceeded the carrying amount of the assets tested by approximately EUR 430 million.

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12. Property, plant and equipment

Tietoevry's property, plant and equipment comprise mainly information and communication technology (ICT) equipment.

ACCOUNTING POLICIES

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Land is not depreciated. Property, plant and equipment acquired in business combinations are measured at fair value at the acquisition date. Depreciation is recognized according to plan based on the estimated economic lives of the individual assets and accounted for in accordance with the straight-line method. The assets' residual useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Assets that are subject to depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss equal to the difference is recognized in profit or loss.

The group applies the following useful lives:

	Years
Buildings and structures	25–40
Data processing equipment[1]	1–5
Other machinery and equipment	5
Other tangible assets	5

[1] Purchases of personal computers are expensed immediately.

Property, plant and equipment

EUR million	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Acquisition cost 1 Jan 2023	1.2	3.8	385.6	64.7	19.1	474.4
Acquisitions of subsidiaries	–	–	0.3	0.4	0.1	0.8
Additions	–	–	21.3	2.4	9.5	33.2
Disposals	–	-0.4	-76.8	-4.3	-0.1	-81.6
Reclassifications	–	–	14.8	0.5	-14.0	1.3
Translation differences	–	–	-5.5	-0.2	-0.3	-6.0
Acquisition cost 31 Dec 2023	**1.2**	**3.4**	**339.7**	**63.4**	**14.4**	**422.1**
Accumulated depreciation and impairments 1 Jan 2023	**–**	**-2.1**	**-330.3**	**-44.9**	**0.0**	**-377.2**
Disposals	–	0.4	74.6	4.2	–	79.2
Depreciation	–	-0.1	-32.2	-6.4	–	-38.8
Impairments	–	–	–	–	–	–
Reclassifications	–	–	-1.3	0.0	–	-1.3
Translation differences	–	–	4.8	0.0	–	4.8
Accumulated depreciation and impairments 31 Dec 2023	**–**	**-1.8**	**-284.5**	**-47.1**	**0.0**	**-333.4**
Carrying value 1 Jan 2023	1.2	1.7	55.4	19.8	19.1	97.2
Carrying value 31 Dec 2023	1.2	1.6	55.2	16.3	14.4	88.8

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EUR million	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Acquisition cost 1 Jan 2022	1.2	3.8	408.3	61.5	12.7	487.5
Additions	–	–	29.4	4.5	16.2	50.0
Disposals	–	–	-50.3	-1.5	-1.1	-52.9
Reclassifications	–	–	10.6	1.9	-8.3	4.1
Translation differences	–	–	-12.3	-1.7	-0.3	-14.3
Acquisition cost 31 Dec 2022	1.2	3.8	385.6	64.7	19.1	474.4
Accumulated depreciation and impairments 1 Jan 2022	–	-2.0	-356.9	-40.3	-0.9	-400.1
Disposals	–	–	49.1	1.5	0.9	51.6
Depreciation	–	-0.1	-29.9	-7.4	–	-37.4
Impairments	–	–	–	–	–	–
Reclassifications	–	–	-3.5	-0.1	0.0	-3.6
Translation differences	–	–	10.9	1.4	–	12.3
Accumulated depreciation and impairments 31 Dec 2022	–	-2.1	-330.3	-44.9	0.0	-377.2
Carrying value 1 Jan 2022	1.2	1.8	51.4	21.2	11.8	87.4
Carrying value 31 Dec 2022	1.2	1.7	55.4	19.8	19.1	97.2

13. Leases

Tietoevry Group mainly acts as a lessee and leases premises, IT equipment and cars. In monetary terms, the highest portion of the Group's lease portfolio is for leasing premises. Tietoevry Group also leases equipment for data centres to support continuous service delivery to its customers.

ACCOUNTING POLICIES

The Group as a lessee

The Group assesses whether a contract is, or contains, a lease at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability at the commencement date of a lease. Initially, the lease liability is measured at the present value of the future lease payments to be made over the lease period. The lease payments include fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option if it is reasonably certain to be exercised and payments of penalties for terminating the lease if the lease term reflects the exercise of a termination option.

To determine the present value of future lease payments, the Group discounts the lease payments using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate reflects the rate at which the Group could borrow an amount similar to the value of the right-of-use asset in a similar economic environment. At year-end, the average annual incremental borrowing rate applied to discount remaining lease payments for existing lease agreements is 5.9%.

The Group determines the lease term as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease, if it is reasonably certain to be exercised, and periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has some lease contracts for which the lease term is cancellable with only a short notification period ("evergreen leases"). Management uses judgement to evaluate the lease term for leases with extension or termination options, and for leases with a short notification period. Management estimates the lease term based on overall strategy and business development plans as well as contract specific facts and circumstances.

At 31 December 2023, the weighted average residual lease term for lease contracts is 6.6 years (residual terms vary between 0.1 - 16.3 years).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the initial measurement of the corresponding lease liability, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the underlying asset.

Lease liabilities are measured at amortized cost. The carrying amount of lease liabilities is increased to reflect the interest on the lease liability and decreased for the lease payments made. Interest expenses related to the lease liabilities are recognized in profit or loss. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or in lease payments, or a change in the Group's assessment of an option to purchase the underlying asset.

The Group applies the recognition exemption provided for leases. Lease payments for leases of low value assets and short-term leases (less than 12 months) are recognized in the income statement on a straight-line basis. The low value assets comprise IT equipment and office furniture.

The Group has elected to separate the service component of a lease for all asset types, except for cars, where only variable lease payments are excluded from the measurement of the lease liability. Non-lease components are separated from lease payments based on fair market value. If such information is not readily available, management judgment is applied in estimating the value.

The Group presents the payment of the principal portion of the lease liability in the cash flows from financing activities and the interest portion in the cash flows from operating activities. Lease payments related to low value assets and short-term leases are presented in cash flow from operating activities.

The Group as a lessor

If an arrangement conveys a right to use a specific asset to a purchaser, often together with related services, the assets, mainly technical equipment, are classified as embedded finance leases. Further the lease is classified either as Operating lease or Finance lease. At 31 December 2023, all such cases have been classified as Finance leases. Sales derived from these embedded finance leases are recognized at the beginning of the agreement period. The annual payments are disclosed as amortization of the finance lease loan receivable and interest income.

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Leases impact on income statement

EUR million		31 Dec 2023	31 Dec 2022
Tietoevry as a Lessee	Depreciation expenses of right-of-use assets	-59.8	-66.4
Tietoevry as a Lessee	Impairment losses	-2.7	–
Tietoevry as a Lessee	Variable lease payments	-8.5	-7.9
Tietoevry as a Lessee	Short-term leases and low value leases	-4.2	-5.2
	Other income and expenses	-12.7	-13.1
Tietoevry as a Lessor	Revenue	2.7	0.8
Tietoevry as a Lessor	Materials and services	-1.5	-0.7
Tietoevry as a Lessor	Finance income on the net investment in lease	0.1	0.1
Tietoevry as a Lessee	Interest expense on lease liabilities	-10.6	-9.7
	Expenses reported in financial items	-10.5	-9.6
	Total impact on income statement from leasing contracts	-84.4	-89.0

Leases impact on statement of cash flows

EUR million		31 Dec 2023	31 Dec 2022
Tietoevry as a Lessee	Interest paid (cash flow from operating activities)	-9.6	-9.4
	Principal paid (cash flow from financing activities)	-58.1	-66.3

Leases impact on the statement of financial position

Right-of-use assets

EUR million		Buildings	Machinery and Equipment	Total
Tietoevry as a Lessee	31 Dec 2022	185.9	16.0	201.9
	Acquisitions	2.2	–	2.2
	Additions[1]	60.7	15.8	76.5
	Terminations	-14.0	-2.7	-16.7
	Depreciation	-49.8	-10.0	-59.8
	Impairment[2]	-2.7	–	-2.7
	Other	0.0	0.0	0.0
	Currency translation differences	-5.4	-0.2	-5.6
	31 Dec 2023	177.0	18.9	195.9

[1] Additions represent increase in right-of-use assets both due to new lease contracts, as well as remeasurements and lease modifications.

[2] For more information, see note 5.

EUR million		Buildings	Machinery and Equipment	Total
Tietoevry as a Lessee	31 Dec 2021	171.5	21.0	192.4
	Divestment of subsidiary	-0.1	–	-0.1
	Additions[1]	95.7	9.6	105.3
	Terminations	-19.9	-1.8	-21.7
	Depreciation	-54.2	-12.3	-66.4
	Currency translation differences	-7.1	-0.5	-7.6
	31 Dec 2022	185.9	16.0	201.9

Lease liabilities

EUR million	31 Dec 2023	31 Dec 2022
Current	50.3	54.1
Non-current	161.4	155.9
Total	211.7	210.0

The movement in lease liabilities during the reporting period is presented in note 19.
The maturity structure of contractual undiscounted lease payments is presented in note 18.

Lease receivables

Net investment in leases

EUR million	31 Dec 2023	31 Dec 2022
Current	2.2	2.4
Non-current	–	0.2
Total	2.2	2.6

Maturity analysis - contractual undiscounted cash flows for finance leases

EUR million	31 Dec 2023	31 Dec 2022
Within one year	2.2	2.4
One to two years	–	0.2
Total undiscounted lease receivable	2.2	2.7
Unearned finance income	0.0	0.0
Net investment in leases	2.2	2.6

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14. Trade and other receivables

Trade receivables represent amounts that Tietoevry expects to collect from other parties in the ordinary course of business. Trade receivables are non-interest bearing and the standard payment term is 30 days, according to the Group's Credit Policy. Contract assets relate to fixed-price projects where the customer invoicing is based on agreed milestones and the services rendered by the reporting date exceed the payment received. License fees relate to prepaid license costs that will be realized on an accrual basis in future periods. Other interest-bearing receivables relate to assets that are financed as part of customer deliveries and where the contracts are treated as service contracts.

Trade receivables to be sold via non-recourse arrangements for the sale of receivables, but not yet derecognized as of the reporting date, are classified as Financial assets at fair value. More information in note 21.

ACCOUNTING POLICIES

Trade receivables are initially recognised at fair value and subsequently at amortized cost less expected credit loss allowance (ECL). Tietoevry has elected to use the practical expedient and calculate lifetime ECL based on a pre-defined allowance matrix with customer segment specific credit characteristics, based on the following criteria:

- Country Group (Finland, Sweden, Norway, Other European Union countries, Other countries)
- Customer Industry Group (Financial Services, Public Healthcare & Welfare, Industrial customer Services)
- Balance due status (Not yet due, overdue 1–7 days, 8–30 days, 31–60 days, 61–90 days, over 90 days)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. Default is defined as 90 days past due or a write off event, due to inability to collect debt.

For each segment, the ECL rate (expressed as a percentage) indicates the historical average defaults identified during the past three years and also the Group's assessment of the possible impact from changes in the overall economic environment in which its customers operate. These collective allowances can be increased if the customer has filed for bankruptcy but has not yet registered the fact or if there are any facts or circumstances indicating that the customer's credit risk is above industry/country average.

No ECL is calculated for the portion of trade receivables, where the credit risk is covered by credit insurance. When calculating ECL for contract assets, Tietoevry uses the ECL rate set for "not yet due" invoices in the allowance matrix.

Trade receivables are permanently written off when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are credited to the income statement. Other interest-bearing receivables are initially recognized at fair value and subsequently at amortized cost during the contract period. The carrying amount of the trade and other receivables approximate their fair values due to their short-term nature.

Trade and other receivables

EUR million	31 Dec 2023	31 Dec 2022
Non-current		
Prepaid expenses and accrued income	29.3	9.0
Finance lease receivables	–	0.2
Other	5.4	11.4
Total	**34.7**	**20.6**
Current		
Trade receivables at amortized cost	476.8	408.9
Prepaid expenses and accrued income		
Contract assets	58.4	52.0
Licence fees	32.9	30.6
Other prepaid expenses and accrued income	54.3	28.2
Finance lease receivables	2.2	2.4
Other interest-bearing receivables	14.4	13.6
Other	14.6	14.4
Total	**653.6**	**550.2**

Group trade receivables maturity and expected credit losses

31 Dec 2023 EUR million	Not yet due	Overdue 1–7 days	Overdue 8–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue over 90 days	Grand Total
Gross trade receivables subject to impairment	368.2	82.3	4.8	4.1	2.9	17.4	479.6
Average expected credit loss rate applied[1]	-0.01 %	-0.01 %	-3.25 %	-3.64 %	-2.62 %	-7.85 %	-0.37 %
Collective loss allowance	-0.0	-0.0	-0.2	-0.1	-0.1	-1.4	-1.8
Individual loss allowance	-0.0	-0.1	-0.0	-0.3	-0.0	-0.5	-1.0
Total loss allowance	**-0.1**	**-0.1**	**-0.2**	**-0.5**	**-0.1**	**-1.8**	**-2.8**
Trade receivables net of ECL	**368.1**	**82.2**	**4.7**	**3.6**	**2.8**	**15.5**	**476.8**
Trade receivables covered by credit insurance[2]	–	–	–	–	–	–	–
Total trade receivables at amortized cost	**368.1**	**82.2**	**4.7**	**3.6**	**2.8**	**15.5**	**476.8**

[1] The majority of trade receivables overdue over 90 days are subject to ongoing negotiations with a customer with a corresponding entry in contract liabilities and therefore excluded from the ECL calculation which lowers the resulting ECL rate for that ageing category

[2] The credit insurance ended in 2023 and was not renewed

There are no major concentrations of credit risk in the Group, see note 18. Impairment losses recognized on trade receivables and contract assets are included in other operating expenses in the income statement.

31 Dec 2022 EUR million	Not yet due	Overdue 1–7 days	Overdue 8–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue over 90 days	Grand Total
Gross trade receivables subject to impairment	227.9	16.4	1.4	3.2	0.5	2.3	251.7
Average expected credit loss rate applied	-0.12%	-0.62%	-1.49%	-1.82%	-3.71%	-51.61%	-0.66%
Collective loss allowance	-0.3	-0.1	-0.0	-0.1	-0.0	-1.2	-1.7
Individual loss allowance	-0.4	-0.0	–	-0.4	-0.1	-0.2	-1.1
Total loss allowance	**-0.6**	**-0.1**	**-0.0**	**-0.4**	**-0.1**	**-1.4**	**-2.7**
Trade receivables net of ECL	**227.3**	**16.2**	**1.4**	**2.7**	**0.4**	**1.0**	**248.9**
Trade receivables covered by credit insurance	142.2	15.0	0.6	1.3	0.5	0.4	160.0
Total trade receivables at amortized cost	**369.5**	**31.2**	**2.0**	**4.0**	**0.9**	**1.4**	**408.9**

Net contract assets

EUR million	Not yet due 2023	Not yet due 2022
Contract assets	58.4	52.1
Average ECL applied	-0.06%	-0.25%
Collective loss allowance	0.0	-0.1
Net contract assets	**58.4**	**52.0**

Movements in loss allowances

EUR million	Trade receivables 2023	Trade receivables 2022
1 Jan	2.7	2.9
Translation differences	-0.1	-0.1
Impairment losses recognized	1.8	3.7
Amounts written off this year as uncollectible	-0.6	–
Impairment losses reversed	-1.1	-3.7
Disposed companies	–	-0.1
31 Dec	2.8	2.7

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15. Defined benefit plans

Group companies in different countries have a number of different post-employment benefit plans in accordance with local requirements and practices. The majority of the plans are classified as defined contribution plans. Post-employment benefit plans other than defined contribution plans are classified as defined benefit plans.

ACCOUNTING POLICIES

The fixed contributions to defined contribution plans are recognized as employee benefit expenses in the period to which they relate. The Group has no further legal or constructive payment obligations once the contributions have been paid.

Defined benefit plans typically define an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. Defined benefit plans are funded with payments to insurance companies.

For defined benefit plans, the net liability recognized in the statement of financial position equals the present value of the defined benefit obligation at the closing date less the fair value of the plan assets. The present value of the defined benefit obligation is determined separately for each plan by independent actuaries using the projected unit credit method. The actuarial calculations include several financial and demographic assumptions and any change in these will impact the carrying amount and future expense of the defined benefit obligation.

Current service costs, past service costs and gains or losses on settlements are recognized in employee benefit expenses. Net interest expense or income is recognized in financial items under interest expense or interest income. All remeasurements of the defined benefit liability or asset arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income.

The Group manages defined benefit plans through insurance companies. The employer has guaranteed to the members of the plans a certain level of benefit after their retirement, which depends on the length of service and salary base. The salary base is an average of last years' salaries indexed with common salary index. After retirement, the benefit payable is indexed yearly.

In Finland, the Group's risk covers approximately 170 non-active employees. When the pensioner who has a vested pension retires, the final amount of the pension is revised in the Finnish pension plan and as a result, the employer may incur additional costs. In addition, in the Finnish pension plan, the index increases that are borne by the employer during the period between the grant date of the vested pension and the beginning of the pension are charged only in the year when the pension is granted. In some insurance contracts, under certain conditions, the insured person has the right to retire earlier than at the normal retirement age. These additional expenses are charged at the beginning of the retirement. In 2022, the majority of the defined benefit plans were converted to defined contribution plans resulting in costs of EUR 2.1 million and a settlement gain of EUR 7.5 million as well as a reduction of defined benefit obligations of EUR 8.4 million.

In Sweden, the Group's risk is only on active employees and the plan covers 60 employees. As the Group does not have actuarial or investment risk for those plan members whose employment has ceased, the plan members are removed from the pension plan and a settlement is recognized annually. In 2023, a settlement loss of EUR 0.1 million was recognized in personnel expenses and the net defined benefit liability increased by the corresponding amount.

In Norway, the collective defined benefit plan has been replaced with a defined contribution plan and an unfunded compensation scheme for employees. The size of the compensation and the profile for its accrual is based on parameters at the time of the change and are accounted for as a defined benefit plan in the financial statements. The accrual formula and profile of the compensation scheme are used as the basis to make provisions in the accounts so that the total compensation earned to date by employees at any time is provided for as a liability in the consolidated statement of financial position. The plan covers 748 employees and pensioners. In addition, there are various other closed and unfunded pension plans in Norway covering 289 employees and pensioners.

Defined benefit cost recognized in income statement and in other comprehensive income

EUR million	2023	2022
Service cost		
Current service cost	2.1	2.7
Settlement gains / losses	0.1	-6.9
Conversion costs	—	2.1
Net interest	-0.3	-0.2
Total	**1.9**	**-2.3**

Amounts recognized in other comprehensive income

Remeasurement		
Gains (-)/losses (+) from change in demographic assumptions	0.0	0.0
Gains (-)/losses (+) from change in financial assumptions	-1.0	-4.5
Gains (-)/losses (+) from experience adjustments	-0.2	-0.5
Gains (-)/losses (+) on plan assets	0.5	3.0
Total	**-0.6**	**-2.0**

Amounts recognized in the statement of financial position

	Present value of defined benefit obligation[1]		Fair value of plan assets[2]		Net liability	
EUR million	2023	2022	2023	2022	2023	2022
1 Jan	32.9	74.2	-5.2	-36.4	27.8	38.0
Current service cost	2.1	2.7	–	–	2.1	2.7
Interest expense/income	0.5	0.5	-0.2	-0.2	0.3	0.2
Employer contribution[3]	–	–	-0.9	-1.1	-0.9	-1.1
Benefits paid[3]	-1.7	-2.4	0.1	0.5	-1.6	-1.8
Curtailment and settlement	-0.1	-35.2	0.1	28.4	0.1	-6.9
Actuarial gains/losses	-1.2	-5.1	0.6	3.1	-0.6	-2.0
Businesses acquired/divested	–	0.2	–	-0.1	–	0.1
Exchange rate differences	-1.5	-1.9	0.0	0.6	-1.5	-1.4
31 Dec	**30.9**	**33.0**	**-5.4**	**-5.2**	**25.5**	**27.8**

[1] Of which EUR 5.7 (6.1) million in Finland, EUR 0.8 (0.7) million in Sweden and EUR 24.8 (26.2) million in Norway

[2] Of which EUR 3.6 (3.9) million in Finland and EUR 1.9 (1.2) million in Sweden

[3] Benefits are paid directly in Norway without holding plan assets. Accordingly, the comparative information has been updated on a net basis

Actuarial assumptions

%	2023	2022
Finland		
Discount rate	3.7	3.1
Future salary increases	–	4.3
Future pension increases	2.6	2.8
Inflation rate	2.4	2.6
Sweden		
Discount rate	3.9	3.7
Future salary increases	1.6	2.0
Future pension increases	1.6	2.0
Inflation rate	1.6	2.0
Norway		
Discount rate	3.1	3.0
Future salary increases	3.5	3.5
Growth in the basic state pension (G)	3.3	3.3

EUR million	2023	2022
Defined benefit obligations	26.5	28.4
Defined benefit plan assets	-1.0	-0.6
Net liability	**25.5**	**27.8**

Allocation of plan assets

In Sweden, the plan assets are comprised from equity and debt instruments EUR 1.2 (0.8) million and other assets EUR 0.7 (0.5) million

In Finland, the plan assets are accrued from the insurance premiums paid to the insurance company and accumulated up to the reporting date. The assets are part of the insurance company's investment assets and they are responsible for reporting the assets. A specification of the plan assets is not available

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Sensitivity analysis of actuarial assumptions

The following table shows how a change in one assumption, while holding all other assumptions constant, would affect the defined benefit obligation.

	Change in assumption	Increase in assumption	Decrease in assumption
Impact on defined benefit obligation in Finland			
Discount rate	0.5%	-6.7%	7.5%
Future pension increase	0.5%	7.0%	-6.4%
Life expectancy	+1 year	4.6%	
Impact on defined benefit obligation in Sweden			
Discount rate	0.5%	-7.7%	8.6%
Future salary increase	0.5%	9.4%	-8.6%
Future pension increase	0.5%	6.3%	-6.0%
Life expectancy	+1 year	2.9%	
Impact on defined benefit obligation in Norway			
Discount rate	0.5%	-1.1%	1.2%
Future salary increase	0.5%	0.2%	-0.1%
Future pension increase	0.5%	0.5%	–%
Life expectancy	+1 year	1.0%	

Maturity profile of the defined benefit obligation

The weighted average duration of the defined benefit obligation is 15 years in Finland, 17 years in Sweden and 15 years in Norway. The following table shows the maturity profile of the future benefit payments which are the basis for the calculated undiscounted defined benefit obligation.

EUR million	2023
Maturity under 1 year	2.0
Maturity 1–5 years	8.0
Maturity 5–10 years	10.7
Maturity 10–30 years	24.6
Maturity over 30 years	2.2
Total future benefit payments	47.7

Expected contributions in 2024

Expected contributions to post-employment benefit plans for the year ending 31 December 2024 are EUR 0.9 million.

Multi-employer plans

The ITP pension plans operated by Alecta and Collectum in Sweden are multi-employer defined benefit pension plans which pool the assets contributed by various entities that are not under common control and the assets provide benefits to employees of more than one entity. It has not been possible to get sufficient information for the calculation of obligations and assets by employer from Alecta and Collectum and, therefore, these plans have been accounted for as defined contribution plans in the consolidated financial statements. In Tietoevry, 4 289 employees are included in these pension plans. The yearly contributions to the plans are around EUR 21 million.

3 325 employees in the Group's Norwegian companies are members of an early retirement scheme (AFP), which is a multi-company defined benefit plan, and is financed by premium payments determined as a percentage of salary. There is no reliable measurement and allocation of liabilities and assets between the companies that participate in the scheme. The scheme is, therefore, treated for accounting purposes as a defined contribution plan and the premiums paid are recognized as costs through profit or loss. The premium rate for 2023 was 2.6% (2.6) corresponding to EUR 3.8 (4.8) million. The scheme is underfunded and it is assumed that premiums will increase over time in order to ensure sufficient buffer capital to cope with increased payments.

16. Provisions

Provisions at Tietoevry Group comprise mainly restructuring and other employee related provisions, and contract-related provisions.

ACCOUNTING POLICIES

A provision is a liability of uncertain timing or amount which is recognized when the entity has a present legal or constructive obligation as a result of a past event and it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be measured reliably. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and are split between amounts expected to be settled within 12 months at the end of the reporting period and amounts expected to be settled later (non-current).

Provisions for restructuring

A restructuring provision is only recognized when a formal plan has been approved and the implementation of it has either commenced or the plan has been announced.

Provisions for warranties

The Group's warranties provide assurance that the delivery will function as expected and in accordance with contract specifications. Provisions related to these assurance-type warranties are recognized during the project and used during the warranty period.

Other provisions

Other provisions include provisions for loss making contracts which are recognized for any unavoidable net loss arising from the contract as well as employee related provisions other than restructuring.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Provisions require management to assess the best estimate of the future costs needed to settle the present obligation at the reporting date. The actual costs may differ from the estimated costs.

EUR million	Provisions for restructuring	Provision for warranties	Other provisions	Total
1 Jan 2023	13.9	1.7	6.2	21.7
Translation differences	-0.2	0.0	-0.1	-0.3
Increases in provisions	24.2	0.7	6.2	31.1
Use of provisions	-25.4	-0.7	-6.7	-32.7
Reversals and changes in estimates	-0.5	-0.5	-1.5	-2.6
31 Dec 2023	**12.0**	**1.2**	**4.0**	**17.2**
of which				
Non-current	0.5	0.1	1.9	2.5
Current	11.5	1.0	2.2	14.6
Total	**12.0**	**1.2**	**4.0**	**17.2**

In 2023, restructuring measures were taken mainly in Tietoevry Tech Services, Tietoevry Banking, and Tietoevry Create.

EUR million	Provisions for restructuring	Provision for warranties	Other provisions	Total
1 Jan 2022	11.3	1.6	9.5	22.4
Translation differences	-0.7	-0.0	-0.3	-1.0
Increases in provisions	33.4	1.3	2.9	37.6
Use of provisions	-21.7	-0.3	-4.5	-26.4
Reversals and changes in estimates	-8.5	-0.9	-1.4	-10.8
31 Dec 2022	**13.9**	**1.7**	**6.2**	**21.7**
of which				
Non-current	0.6	0.1	1.9	2.6
Current	13.3	1.6	4.3	19.1
Total	**13.9**	**1.7**	**6.2**	**21.7**

In 2022, restructuring measures were taken in Tietoevry Tech Services and Tietoevry Banking.

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17. Trade and other payables

Trade and other payables represent unpaid, non-interest bearing liabilities at the end of the reporting period. Contract liabilities represent where a customer has paid consideration or payment is due, but Tietoevry has not yet transferred goods or services to the customer.

ACCOUNTING POLICIES

Trade and other payables are presented as current liabilities if settlement is due within 12 months from the end of the reporting period. They are recognized at their fair value and subsequently measured at amortized cost using the effective interest method.

The carrying amount of the trade and other payables approximate their fair values due to their short-term nature.

EUR million	31 Dec 2023	31 Dec 2022
Non-current		
Contract liabilities	6.8	16.9
Accruals	4.1	4.2
Total	**10.8**	**21.0**
Current		
Trade payables	206.9	233.9
Contract liabilities	77.3	67.2
Accrued liabilities		
Employee-related accruals	197.7	193.2
Interest	28.8	4.9
Other accrued expenses	42.2	32.7
Value added tax liabilities	52.5	54.5
Payroll tax liabilities	30.7	30.9
Total	**636.0**	**616.7**

FINANCIAL RISK MANAGEMENT AND CAPITAL STRUCTURE

This section includes notes related to Tietoevry's financial risk and capital structure management. The financial risks are monitored and managed via Tietoevry's Group Treasury.

18. Management of financial risks and capital structure

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity risk), credit risk and liquidity risk. The operative management of the treasury activities of Tietoevry is centralized in Group Treasury. The Group Treasury is responsible for managing the Group's financial risk position and maintaining adequate liquidity. The Treasury Policy, which has been approved by the Board of Directors, defines the principles for measuring and managing liquidity risk, interest rate risk, foreign exchange risks and counter-party risk of the Group. The Treasury Policy also defines the division of responsibilities with regard to financial risk management. The Group reviews and monitors financial risks on a regular basis.

Market risk

Currency risk management

Transaction risk

Currency risk means the risk that the result or economic situation of the Group changes due to changes in exchange rates. Foreign trade, Group internal transactions and liquidity management in non-euro countries generate transaction exposure in the Group. The objective of the Group's currency risk policy is to secure the profitability of operative business by managing recognized exposures while maintaining sufficient flexibility to adjust to changing currency markets. The underlying exposure includes financial items denominated in the non-functional currencies of operating companies, such as internal funding, foreign currency bank account balances, and estimated cash flows such as firm commitments and future trade transactions.

Swedish krona, Norwegian krone, Czech koruna, Indian rupee, Polish zloty and US dollar are the main currencies with this exposure. During 2023, currency forward contracts were used to mitigate the risks. Gains and losses from foreign exchange contracts are recognized in the consolidated income statement.

Group companies must hedge their identified currency risks with the Group Treasury unless there are legal restrictions preventing this. The benchmark for the Group's currency position is a situation where all the identified currency risks are eliminated. A deviation from this benchmark is defined as an open position. The following deviations can be made based on the total size of the Group's gross currency position (identified currency risks, excluding the hedging transactions):

- +/- 15 %: Group Treasury
- +/- 25 %: Treasury Committee
- Greater deviation: Board of Directors

The overall operational hedging ratio at the end of December 2023 was 99% (98%).

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Identified currency transaction risk exposure and sensitivity analysis

EUR million	Loans and Cash	Estimated cash flows	Leases	Total foreign exchange exposure	External foreign exchange hedges	Transaction exposure sensitivity[1]	Foreign exchange hedge sensitivity[1]	Net effect gain/(loss)
SEK								
31 Dec 2023	-130.6	23.1	–	-107.5	107.7	13.1	-10.8	2.3
31 Dec 2022	-96.2	24.0	–	-72.2	72.7	9.6	-7.3	2.3
NOK								
31 Dec 2023	-42.3	12.7	–	-29.6	29.3	4.2	-2.9	1.3
31 Dec 2022	-25.5	16.8	–	-8.7	5.0	2.6	-0.5	2.1
PLN								
31 Dec 2023	0.7	-9.6	1.2	-7.7	8.5	-0.2	-0.8	-1.0
31 Dec 2022	-1.1	-23.6	1.4	-23.3	23.5	–	-2.4	-2.4
CZK								
31 Dec 2023	-9.6	-44.3	9.6	-44.3	53.4	–	-5.3	-5.3
31 Dec 2022	-1.6	-52.6	2.6	-51.6	54.2	-0.1	-5.4	-5.5
INR								
31 Dec 2023	–	-22.5	–	-22.5	23.0	–	-2.3	-2.3
31 Dec 2022	–	-34.9	–	-34.9	34.7	–	-3.5	-3.5
USD								
31 Dec 2023	2.2	–	-0.1	2.1	-2.3	-0.2	0.2	–
31 Dec 2022	-1.1	2.8	–	1.7	-3.0	0.1	0.3	0.4
Other								
31 Dec 2023	-2.2	–	2.0	-0.2	–	–	–	–
31 Dec 2022	-1.1	–	–	-1.1	–	0.1	–	0.1

[1] The maximum pre-tax effect (EUR million) of 10% negative change in exchange rates on the Group's foreign exchange position over the following year.

Translation risk

According to the Treasury Policy, hedging translation exposure is subject to the Board of Directors' decision. Exposure includes the acquisition price, share capital and restricted and non-restricted reserves of subsidiaries in non-euro countries, as well as the result of the period. NOK 16 145 and SEK 7 353 million exposure forms the majority of the translation risk. The translation position was unhedged at the end of 2023. See also note 24.

Interest rate risk management

The most significant part of the Group's interest rate risk arises from its borrowings and financial investments. The objective of interest rate risk management is to minimize the effect of interest rate fluctuations on Tietoevry's annual results and economic positions. Group Treasury is responsible for the monitoring and operative management of the Group's interest rate position. The interest rate position includes loans, financial investments and interest rate derivative contracts. According to the Treasury Policy, 24 months is defined as a benchmark for the Group's interest rate position, in terms of weighted average time to re-pricing. At the end of 2023, the ratio was at 17 months (19 months in 2022).

31 Dec 2023 EUR million	Amount	Average rate, %	Rate sensitivity[1]
Capital markets[2]	-465.3	2.2	-0.7
Money markets	216.2	0.7	0.2
Other loans	-483.1	4.8	-4.3
Other receivables	28.9	3.9	–
Leasing	-209.5	6.0	-2.1

31 Dec 2022 EUR million	Amount	Average rate, %	Rate sensitivity[1]
Capital markets[2]	-398.4	1.8	–
Money markets	244.6	0.4	0.1
Other loans	-348.0	2.9	-3.2
Other receivables	28.0	3.1	–
Leasing	-207.4	6.0	2.1

[1] The maximum pre-tax effect (EUR million) of 1% rise in interest rates on the Group's net interest expenses over the following year.

[2] The duration of underlying instruments was 1,1 years (2,2 in 2022).

Commodity risk management

The majority of electricity procurement has been centralized to selected supplier and under the selected model, the Group does not enter into any new electricity derivative agreements in its own name.

Credit risk management

Credit risk is managed on Group level. Credit risk derives from financial investments, derivative contracts and customer-related risks, such as accounts receivable. Group Treasury maintains a list of approved counterparts for commercial paper investments and other financial transactions. Core banks of the Group should have a minimum long-term rating of Baa3 or BBB-.

Customer-related credit risks are assessed based on payment history and financial strength in accordance with the Credit Policy. The Credit Policy defines the limits for the acceptable level of customer credit risk in terms of invoicing schedules and payment terms. The maximum exposure to customer related credit risk at the reporting date is the carrying value of trade receivables. There are no major concentrations of credit risk in the Group, whether through exposure to individual customers, specific industry sectors and/or regions.

Liquidity risk management and funding

Liquidity risk management and funding principles are defined in the Treasury Policy. One of the key tasks of Group Treasury is to secure adequate funding for the Group. The Group has a committed EUR 250 million revolving credit facility, which matures in 2027 with 2 optional extension years. The Group has also overdraft facilities and an uncommitted EUR 250 million commercial paper programme available to maintain flexibility in funding. In addition, the Group has two facilities for the sale of receivables, EUR 50 million and SEK 550 million.

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Debt structure

31 Dec 2023			Amount	Maturity structure					
EUR million		Amount drawn	available	2024	2025	2026	2027	2028	2029–
Loans	Bonds	400.0	–	100.0	300.0	–	–	–	–
	Commercial paper programme	67.0	–	67.0	–	–	–	–	–
	Revolving credit facility	–	250.0	–	–	–	–	–	–
	Liabilities towards joint ventures	3.0	–	3.0	–	–	–	–	–
	European Investment Bank	52.3	–	13.1	13.1	13.1	13.1	–	–
	OP Corporate Bank	174.0	–	–	–	–	–	174.0	–
	Syndicated term loan	208.3	–	208.3	–	–	–	–	–
	Other loans	49.4	–	21.0	17.0	10.1	1.2	–	–
		954.1	250.0	412.5	330.1	23.2	14.3	174.0	–
	Interest payments	–	–	27.3	16.9	9.7	8.7	8.8	–
Trade payables	Outflow	206.9	–	206.9	–	–	–	–	–
Other liabilities	Lease liabilities[1]	248.2	–	59.5	46.0	33.3	25.8	23.7	59.8
Total		1 409.1	250.0	706.1	393.0	66.2	48.8	206.5	59.8

[1] Lease liabilities are presented based on the contractual undiscounted lease payments.

31 Dec 2022			Amount	Maturity structure					
EUR million		Amount drawn	available	2023	2024	2025	2026	2027	2028–
Loans	Bond	400.0	–	–	100.0	300.0	–	–	–
	Commercial paper programme	–	–	–	–	–	–	–	–
	Revolving credit facility	–	250.0	–	–	–	–	–	–
	Liabilities towards joint ventures	3.5	–	3.5	–	–	–	–	–
	European Investment Bank	65.4	–	13.1	13.1	13.1	13.1	13.1	–
	Syndicated term loan	254.2	–	80.0	174.2	–	–	–	–
	Other loans	28.7	–	14.1	8.6	4.7	1.2	0.1	–
		751.8	250.0	110.7	295.9	317.7	14.2	13.2	–
	Interest payments	–	–	17.1	13.2	7.5	1.0	0.5	–
Trade payables	Outflow	233.9	–	233.9	–	–	–	–	–
Other liabilities	Lease liabilities	241.2	–	61.8	47.1	32.7	23.7	19.1	56.8
Total		1 226.9	250.0	423.4	356.2	357.9	38.9	32.8	56.8

Capital management

The objective is to keep the capital structure on a level securing adequate financial flexibility for the operations. The capital structure of the Group is being continuously monitored through Net debt/EBITDA ratio. The ratio is calculated by dividing interest-bearing net debt with the last 12 months' EBITDA of the Group. Net debt/EBITDA ratio is a covenant used in certain funding arrangements. Tietoevry Group is within limits for this covenant as at the reporting date and comparative period.

	31 Dec 2023	31 Dec 2022
Net debt	911.8	679.1
12 months EBITDA	412.8	449.0
Net debt/EBITDA	2.2	1.5

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19. Interest-bearing loans and borrowings

The Group's interest-bearing liabilities consist of bonds, other loans, lease liabilities and cash pool liabilities towards joint ventures.

ACCOUNTING POLICIES

Interest-bearing loans and borrowings are initially recognized at fair value, net of transaction costs which are recognized in the income statement as interest expenses over the loan term. Debt is classified as short term if it is payable within 12 months, otherwise it is classified as non-current.

EUR million	31 Dec 2023	31 Dec 2022
Non-current		
Bonds	298.8	398.4
Other loans	240.8	241.0
Lease liabilities	161.4	155.9
Total	**701.0**	**795.3**
Current		
Bonds	100.4	0.0
Other loans	308.5	107.1
Cash pool liabilities towards joint ventures	3.0	3.5
Lease liabilities	50.3	54.1
Total	**462.2**	**164.7**
Total interest bearing loans and borrowings	**1 163.2**	**960.1**

More information on debt structure and carrying interest rates is disclosed in note 18.

Change in liabilities arising from financing activities

			Non-cash changes						
EUR million	31 Dec 2022	Cash flows	Foreign exchange gains and losses	Reclassification	Acquisitions and disposals	New lease contracts	De-recognized contracts	Other	31 Dec 2023
Non-current interest-bearing loans	639.4	114.5	–	-229.5	–	14.9	–	0.3	539.5
Current interest-bearing loans	110.6	63.9	–	229.5	–	7.0	–	0.9	411.9
Lease liabilities	210.0	-58.1	-5.7	–	2.2	79.5	-17.5	1.0	211.7
Total	**960.1**	**120.2**	**-5.7**	**–**	**2.2**	**101.4**	**-17.5**	**2.2**	**1 163.2**

			Non-cash changes						
EUR million	31 Dec 2021	Cash flows	Foreign exchange gains and losses	Reclassification	Acquisitions and disposals	New lease contracts	De-recognized contracts	Other	31 Dec 2022
Non-current interest-bearing loans	731.6	-13.1	–	-80.0	–	-0.3	–	1.2	639.4
Current interest-bearing loans	31.5	-1.5	–	80.0	–	0.7	–	–	110.6
Lease liabilities	206.5	-66.3	-7.9	–	-0.1	104.7	-27.0	0.2	210.0
Total	**969.6**	**-81.0**	**-7.9**	**–**	**-0.1**	**105.0**	**-27.0**	**1.4**	**960.1**

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20. Financial income and expenses

Finance income and expenses comprise interest, foreign exchange gains and losses and other financial income and expenses, such as fees to banks.

2023 EUR million	Interest income	Interest expenses	Foreign exchange gains and losses	Other financial income	Other financial expenses	Total
Financial assets at fair value through profit or loss	–	–	4.2	–	–	4.2
Financial assets at amortized cost	23.5	-21.0	-1.0	0.3	–	1.7
Financial liabilities measured at amortized cost	–	-36.3	–	–	-4.1	-40.4
Net defined benefit obligation	–	-0.3	–	–	–	-0.3
Total	23.5	-57.6	3.1	0.3	-4.1	-34.9

2022 EUR million	Interest income	Interest expenses	Foreign exchange gains and losses	Other financial income	Other financial expenses	Total
Financial assets at fair value through profit or loss	–	–	-7.8	–	–	-7.8
Financial assets at amortized cost	3.6	–	6.4	0.3	–	10.3
Financial liabilities measured at amortized cost	–	-22.6	–	–	-3.4	-25.9
Net defined benefit obligation	–	-0.2	–	–	–	-0.2
Total	3.6	-22.8	-1.4	0.3	-3.4	-23.7

In addition, foreign exchange gains and losses included in the operating profit were EUR 0.5 (9.9) million in 2023.

21. Financial assets and liabilities

Financial assets and liabilities of the Group consist of trade receivables, cash and cash equivalents, lease receivables and payables, trade payables, derivatives (see note 22), bonds and other interest-bearing liabilities (see note 19).

ACCOUNTING POLICIES

All financial assets and liabilities are initially recognized at fair value, and subsequently classified either as financial assets at amortized cost or financial assets through profit or loss.

Financial assets at amortized cost

Financial assets are accounted at amortized cost only when the asset is held within a business model with the objective to collect contractual cash flows, which are solely payments of principal and interest.

This category of financial assets includes trade and other receivables, cash and cash equivalents, lease receivables and other interest-bearing receivables.

Financial assets in this category are carried at amortized cost in accordance with the effective interest method with interest income recognized in profit or loss under financial items, see note 20.

Financial liabilities at amortized cost

Financial liabilities in this category are initially recognized at fair value, net of transaction costs directly associated with the borrowing. For interest-bearing liabilities, after initial recognition, liabilities are measured using the effective interest rate method, taking into account any issue costs and any discount or premium on settlement. The related interest expenses are recognized in profit or loss in financial items, see note 20.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities in this category are recognized on the statement of financial position at their fair value with gains or losses resulting from changes in the fair value, being recognized in the income statement.

This category consists mainly of derivatives. Gains or losses from the revaluation of derivative contracts that relate to financial items (loans, cash, leases) are presented as financing costs, see note 20, whereas gains or losses from derivatives, mainly currency forward contracts that relate to operating activities, are included in operating profit.

Fair value measurement is also applicable to trade receivables sold under non-recourse agreements (for the sale of receivables), which have not yet been de-recognized from the statement of financial position at the reporting date.

Other investments include unlisted shares, where the cost is considered to be a reasonable approximation of their fair value.

Determination of fair values

The classification of financial assets and liabilities measured at fair value in the statement of financial position is based on three hierarchy levels:

- Level 1: quoted prices in active markets for given or identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

The carrying amount of all financial assets and liabilities, carried at amortized cost is considered to provide a reasonable approximation of their fair value, due to the short maturity and liquid nature of these items, except for bonds which are traded on an active market.

The fair values of derivatives are determined based on prevailing marked quotes at the reporting date. The fair values of foreign exchange derivatives are calculated according to foreign exchange and interest rates on the closing date.

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Financial assets

EUR million	Note	31 Dec 2023	31 Dec 2022	Fair value hierarchy
Financial assets at fair value through profit or loss				
Non-current				
Other financial assets at fair value through profit or loss		0.6	0.6	Level 3
Current				
Trade receivables at fair value through profit or loss		11.6	20.2	Level 2
Current derivative receivables	22	5.8	3.4	Level 2
Financial assets at amortized cost				
Non-current				
Other loan receivables, interest-bearing		15.1	15.0	Level 2
Lease receivables	13	–	0.2	Level 2
Current				
Other loan receivables, interest-bearing	14	14.4	13.6	Level 2
Lease receivables	13	2.2	2.4	Level 2
Trade receivables	14	476.8	408.9	Level 2
Accrued interest income	14	15.5	0.0	Level 2
Cash and cash equivalents	23	219.6	249.7	Level 2
Total		761.7	714.1	

Financial liabilities

EUR million	Note	31 Dec 2023	31 Dec 2022	Fair value hierarchy
profit or loss				
Current derivative liabilities	22	4.9	2.0	Level 2
cost				
Non-current				
Lease liability	19, 13	161.4	155.9	Level 2
Bonds[1)]	19	298.8	398.4	Level 1
Other loans	19	240.8	241.0	Level 2
Current				
Trade payables	17	206.9	233.9	Level 2
Accrued interest	17	28.8	4.3	Level 2
Lease liability	19, 13	50.3	54.1	Level 2
Bonds[1)]	19	100.4	–	Level 1
Loans	19	311.6	110.6	Level 2
Total		1 403.7	1 200.3	

[1)] Fixed rate bond where carrying amount of EUR 399.1 million has not been adjusted to match the fair value of EUR 389.5 million. Fair value of the bond has been calculated based on the prevailing market rate at the end of the reporting period.

There has been no movement between the fair value hierarchy levels during 2023.

22. Derivatives

Tietoevry Treasury uses currency forward and interest rate swap contracts to manage identified currency and interest rate risks. More information on financial risk management is in note 18 and on the accounting policies applied in note 21. Derivatives are used for economic purposes only.

Nominal amounts of derivatives

Includes the gross amount of all nominal values for contracts that have not yet been settled or closed. The amount of nominal value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by other contracts.

EUR million	31 Dec 2023	31 Dec 2022
Foreign exchange forward contracts	523.9	406.5
Interest rate swaps	280.0	40.0

Fair values of derivatives

EUR million	31 Dec 2023	31 Dec 2022
Gross positive fair values, foreign exchange forward contracts	5.8	3.4
Gross negative fair values, foreign exchange forward contracts	-4.9	-2.0
Gross positive fair values, interest rate swaps	15.5	2.9
Gross negative fair values, interest rate swaps	-20.0	-2.9
The net fair values at the reporting date	**-3.6**	**1.4**

The fair values of foreign exchange derivatives are calculated according to foreign exchange and interest rates on the closing date. All outstanding currency derivative contracts will expire within 12 months after the reporting date.

The fair values of interest rate swaps are based on values of corresponding agreements confirmed by the bank.

Offsetting financial assets and liabilities

Agreements with derivatives' counterparties are based on ISDA Master Agreements or on agreements with similar content with regards to offsetting financial assets and liabilities.

Based on the terms of these agreements, offsetting is possible only under certain circumstances, such as, default of either of the parties or other force majeure events. If any of those occur, then the net position owing/receivable to a single counterparty will be taken as owing.

31 Dec 2023 EUR million	Gross amounts of recognized financial instruments in the statement of financial position[1]	Related amounts not set off in the statement of financial position: Financial Instruments	Related amounts not set off in the statement of financial position: Cash collateral received	Net amount
Derivative financial assets				
Foreign exchange forward contracts	5.8	-3.1	–	2.7
Interest rate swaps	15.5	-15.5	–	–
Derivative financial liabilities				
Foreign exchange forward contracts	-4.9	3.1	–	-1.8
Interest rate swaps	-20.0	15.5	–	-4.6

[1] No amounts have been set off in the statement of financial position

31 Dec 2022 EUR million	Gross amounts of recognized financial instruments in the statement of financial position[1]	Related amounts not set off in the statement of financial position: Financial Instruments	Related amounts not set off in the statement of financial position: Cash collateral received	Net amount
Derivative financial assets				
Foreign exchange forward contracts	3.4	-1.6	–	1.7
Interest rate swaps	2.9	-2.9	–	–
Derivative financial liabilities				
Foreign exchange forward contracts	-2.0	1.6	–	-0.4
Interest rate swaps	-2.9	2.9	–	–

[1] No amounts have been set off in the statement of financial position

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23. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and cash deposits with banks and other liquid investments that are readily convertible to a known amount of cash within three months and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in current liabilities in the statement of financial position. Cash and cash equivalents are carried at nominal value, which corresponds to their fair value.

EUR million	31 Dec 2023	31 Dec 2022
Cash in hand and at bank	195.7	233.4
Short-term deposits	24.0	16.3
Total	219.6	249.7

Cash and cash equivalents include restricted cash of EUR 28.5 (14.0) million, including EUR 18.2 (14.0) million held within bank accounts in Ukraine, as well as EUR 10.3 million restricted for 3 working days in connection with the sale of a data centre and office building in Norway at year-end.

24. Share capital and reserves

Tietoevry has one class of shares, and each share has one vote at the Annual General Meeting and equal rights to dividend and other distribution of assets. The company's Articles of Association includes a voting constraint at the Annual General Meeting that no-one is entitled to vote on more than one-fifth of the votes represented at the Annual General Meeting.

Tietoevry's shares have no nominal value and their book value counter value is one euro. All issued shares have been fully paid.

ACCOUNTING POLICIES

Dividends proposed by the Board of Directors are not deducted from distributable equity until approved by the Annual General Meeting of Shareholders.

When the company's own shares are repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction in equity.

EUR million	Number of shares	Share capital	Share issue premiums and other reserves	Invested unrestricted equity reserve	Total
1 Jan 2022	118 418 184	76.6	41.5	1 203.5	1 321.6
Purchase of own shares	-145 000	–	–	–	–
Shares delivered from the share-based incentive plans[1)]	140 119	–	–	–	–
Translation difference	–	–	-2.2	–	-2.2
31 Dec 2022	118 413 303	76.6	39.3	1 203.5	1 319.4
Purchase of own shares	-325 000	–	–	–	–
Shares delivered from the share-based incentive plans[1)]	302 789	–	–	–	–
Translation difference	–	–	0.1	–	0.1
31 Dec 2023	118 391 092	76.6	39.4	1 203.5	1 319.4

Own shares[2)]	34 679
Total number of shares on 31 Dec 2023[2)]	118 425 771

[1)] Shares granted from own shares without impact on share capital.

[2)] On 31 Dec 2022, the number of shares in the company's possession totalled 12 466 and the total number of shares was 118 425 771.

Share capital

The share subscription price received in connection with the share issues is entered in share capital to the extent that it has not been recorded in the invested unrestricted equity reserve according to the share issue decision.

Share issue premiums and other reserves

Share issue premiums and other reserves include share issue premium of the parent company and the statutory reserve fund of Tietoevry Tech Services AB.

Invested unrestricted equity reserve

The invested unrestricted equity reserve includes the subscription price of shares to the extent that it has not been recorded in share capital according to specific resolution.

Retained earnings

In addition to accumulated profits less dividends paid out, retained earnings include the following

- Costs of share-based payments which are accounted for as equity-settled and recognized as an employee benefit expense during the vesting period with a corresponding entry in equity. More information is disclosed in note 8.
- Remeasurements of the defined benefit plans arising from experience adjustments and changes in actuarial assumptions. More information is disclosed in note 15.
- Treasury shares. In 2023, Tietoevry repurchased 325 000 own shares which were further delivered from the share-based incentive plans.
- Cumulative translation differences arising from the translation of foreign Group companies' assets and liabilities into euro, and
- Other retained earnings and losses

The cumulative translation differences were EUR -276.8 (-193.5) million. The translation differences in Other comprehensive income were EUR -99.8 (-126.7) million. The majority of these arise on the NOK and SEK foreign currency translation exposures. In 2023, NOK weakened by 6.9% against the Euro whereas SEK strengthened by 0.2%, resulting in a negative net effect on the Other comprehensive income. In 2022, both currencies weakened against the Euro, NOK by 5.3% and SEK by 8.5%, resulting in negative translation differences in Other comprehensive income.

Distributable funds

On 31 Dec 2023, the distributable funds of the parent company totalled EUR 1 417.7 million of which retained earnings were EUR 90.4 million and net profit for the financial year EUR 119.7 million. The Board of Directors proposes to the Annual General Meeting in 2024 that a dividend of EUR 1.47 per share will be paid for 2023 (dividend of EUR 1.45 per share paid for 2022)

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OTHER INFORMATION

This section includes information about the Group structure, joint ventures, related parties and commitments.

25. Acquisitions and divestments

On 21 July 2023, Tietoevry acquired 100% of the shares of MentoMate, a digital engineering company headquartered in Minneapolis, USA. The MentorMate acquisition advances Tietoevry Create's strategic ambition to become a leading digital engineering player globally. The acquisition significantly strengthens Tietoevry Create's North American customer base and digital engineering capabilities across design, data, cloud and AI, with employees in the attractive talent markets of Bulgaria and Paraguay.

In 2023, Tietoevry sold its wood supply software business to Vela Software International Inc., which is headquartered in Toronto Canada. Conditions to complete the divestment have been fulfilled and the transaction is closed. Revenue of the divested business amounted to approximately EUR 3.0 million in 2022 and the number of employees was approximately 30 across Sweden, Finland and India. The wood supply software business was part of Tietoevry Industry. The gain recognised on the disposal was EUR 0.9 million.

In 2022, Tietoevry sold its Russian operations through a local management buy-out. With this transaction, Tietoevry ended all its local operations in Russia and transitioned all its responsibilities including employees, customers, suppliers, legal and regulatory to the new owners. The loss recognized on the disposal was EUR 9.1 million.

ACCOUNTING POLICIES

Business combinations are accounted for using the acquisition method. Subsidiaries are consolidated from the date on which control is achieved until the date on which control ceases by using the acquisition method. The consideration transferred for the acquisition is the fair values of the assets transferred and the liabilities assumed. Acquisition related costs are recognised as expenses for the period in which they are incurred.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recognized as goodwill at the acquisition date. If the cost of the acquisition is less than the fair value of the net assets acquired in the case of a bargain purchase, the resulting gain is recognized in profit or loss.

When a disposed operation is part of a cash-generating unit (CGU) to which goodwill has been allocated, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Assets held for sale

Non-current assets are classified as held for sale if their carrying amounts are expected to be recovered principally through sale and the sale is highly probable. From the date of classification, the assets are measured at the lower of the carrying amount and the fair value less costs to sell, and the recognition of depreciation is discontinued.

Acquisition of MentorMate in 2023

Acquisition accounting for the acquired entity is presented as provisional as at the reporting date and can be adjusted within 12 months after the date of acquisition to reflect new information obtained about facts and circumstances that existed at the acquisition date. The following table summarizes the fair values of the assets and the liabilities recognized at the acquisition date and the consideration paid.

EUR million	
Intangible assets	22.5
Property, plant and equipment	0.9
Right-of-use assets	2.2
Other non-current receivables	0.2
Trade and other receivables	8.9
Cash and cash equivalents	6.3
Non-current lease liabilities	-1.7
Deferred tax liabilities	-5.6
Trade and other payables	-7.9
Current lease liabilities	-0.6
Total net assets acquired	**25.3**
Goodwill	**137.4**
Total	**162.6**

Consideration paid in cash	162.6
Cash and cash equivalent balances acquired	-6.3
Net cash flow on acquisition	**156.3**

The identified intangible assets relate to customer relationships and marketing. Fair values for the intangible assets have been determined using appropriate valuation methods including the multi-period excess earnings method for customer relationship related intangible assets and the relief from royalty method for marketing related intangible assets. The amortization periods for these intangible assets are 6 years and 1.4 years, respectively. The goodwill is attributable to the expected synergies, the skilled assembled workforce obtained through the acquisition and future customers. The goodwill will be deductible for tax purposes.

The fair value of the receivables amounted to EUR 9.1 million on 21 July including trade receivables of EUR 7.9 million. The full contractual amounts have been, or are expected to be, collected. The Group measured the lease liabilities assumed using the present value of the remaining lease payments at the acquisition date. The right-of-use assets were measured at an amount equal to the lease liabilities.

Since the acquisition date, MentorMate has contributed EUR 29.4 million in revenue and EUR 2.9 million in net profit to the Group's consolidated statement of comprehensive income. The Group revenues for the year would have been approximately EUR 2 890 million and Group net profit would have been approximately EUR 177 million, if MentorMate had been consolidated from 1 January 2023.

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26. Subsidiaries

Subsidiary shares owned by the Parent company

Company name	Domicile	Parent company's holding %	31 Dec 2023 Book value in the Parent company EUR million
EVRY Card Issuing AS	Norway	100.0	77.4
EVRY Card Payments AS	Norway	100.0	0.7
EVRY Card Services AS	Norway	100.0	84.0
Fellesdata AS	Norway	100.0	–
Infopulse Brasil Servicos Technologicos Ltda.	Brazil	1.0	0.0
Tieto Austria GmbH	Austria	100.0	0.8
Tieto (Beijing) Technology Co., Ltd.	China	100.0	0.8
Tieto China Co., Ltd.	China	100.0	4.3
Tieto Germany GmbH	Germany	100.0	0.5
Tieto Global Oy	Finland	100.0	1.1
Tieto Great Britain Ltd.	Great Britain	100.0	0.5
Tieto Lietuva UAB	Lithuania	100.0	2.6
Tieto Netherlands Holding B.V.	Netherlands	100.0	24.5
Tieto Poland Sp. z o.o	Poland	100.0	3.3
Tieto Support Services Sp. z o.o.	Poland	100.0	0.4
Tietoevry 12 Oy (former Tietoilmarinen Oy)	Finland	100.0	0.2
Tietoevry AB	Sweden	100.0	667.6
TietoEVRY Accounting AS	Norway	100.0	16.7
Tietoevry Banking Finland Oy	Finland	100.0	1.3
Tietoevry Banking Latvia SIA	Latvia	100.0	12.3
Tietoevry Czechia s.r.o.	Czech Republic	100.0	0.5
Tietoevry Czechia Support Services s.r.o.	Czech Republic	100.0	–
Tietoevry Denmark A/S	Denmark	100.0	6.5
Tietoevry DK A/S	Denmark	100.0	1.6
Tietoevry Estonia AS	Estonia	100.0	0.2
Tietoevry Finland Oy	Finland	100.0	71.2
Tietoevry Finland Support Services Oy	Finland	100.0	1.2
Tietoevry Fintech Estonia OÜ	Estonia	100.0	0.1
Tietoevry Fintech Norway AS	Norway	100.0	516.1
Tietoevry Fintech Sweden AB	Sweden	100.0	52.2
Tietoevry Inc.	The United States	100.0	73.7
Tietoevry Latvia SIA	Latvia	100.0	2.1
Tietoevry Malaysia Sdn. Bhd.	Malaysia	100.0	0.1
Tietoevry Norway AS	Norway	100.0	314.9
Tietoevry Slovakia s.r.o.	Slovakia	100.0	0.0
Tietoevry Tech Services AB	Sweden	100.0	201.9
Tietoevry Tech Services Czechia s.r.o.	Czech Republic	100.0	7.5
Tietoevry Tech Services Finland Oy	Finland	100.0	64.7
Tietoevry Tech Services Latvia SIA	Latvia	100.0	0.8
Tietoevry Tech Services Norway AS	Norway	100.0	176.9
Tietoevry Tech Services Slovakia s.r.o.	Slovakia	15.0	0.0
Dormant subsidiaries (2 in total)			0.0
Total			**2 391.2**

Shares in Group companies owned by subsidiaries

Company name	Domicile	Group holding %	31 Dec 2023 Book value in the Parent company EUR million
Avega Catalyst AB	Sweden	100.0	0.4
Avega Clarity AB	Sweden	100.0	0.8
Avega Complius AB	Sweden	100.0	0.0
Avega Dinamiko AB	Sweden	100.0	0.1
Avega Effectus AB	Sweden	100.0	0.8
Avega Group AB	Sweden	100.0	42.4
Avega Kipeo AB	Sweden	100.0	1.5
Avega Kite AB	Sweden	100.0	0.0
Avega Mtoni AB	Sweden	100.0	0.1
Avega Nuvem AB	Sweden	100.0	0.0
Avega Qurio AB	Sweden	100.0	2.6
Avega Scire AB	Sweden	100.0	0.1
Avega Sempai AB	Sweden	100.0	0.5
Avega Senso AB	Sweden	100.0	0.0
Bekk Consulting AS	Norway	100.0	41.5
EVRY Card Services AB	Sweden	100.0	24.2
EVRY Card Services Oy	Finland	100.0	5.7

EVRY Financial Service UK Ltd.	Great Britain	100.0	0.1
EVRY India Pvt. Ltd.	India	100.0	13.5
EVRY USA Corporation	The United States	100.0	0.4
Eye-share AS	Norway	100.0	2.2
Eye-share Singapore Pte. Ltd.	Singapore	100.0	0.0
Gjeldsregisteret AS	Norway	100.0	0.0
Infopulse Brasil Servicos Technologicos Ltda.	Brazil	99.0	0.1
Infopulse Bulgaria Ltd.	Bulgaria	100.0	0.1
Infopulse Europe GmbH	Germany	100.0	0.0
Infopulse Poland Sp. z o.o.	Poland	100.0	–
Infopulse Ukraine LLC	Ukraine	100.0	0.0
MentorMate Bulgaria Ltd.	Bulgaria	100.0	4.6
MentorMate Paraguay S.R.L.	Paraguay	100.0	0.4
MentorMate, LLC	The United States	100.0	153.7
NUK Holding AB	Sweden	100.0	16.9
Tieto Ukraine Support Services LLC	Ukraine	100.0	0.8
Tieto U.S. Inc.	The United States	100.0	1.1
Tietoevry Banking Poland Sp. z o.o.	Poland	100.0	0.0
Tietoevry Financing AB	Sweden	100.0	0.0
Tietoevry Financing AS	Norway	100.0	1.8
Tietoevry FinTech DOO	Serbia	100.0	0.0
Tietoevry Fintech India Pvt. Ltd.	India	100.0	9.8
Tietoevry India Pvt. Ltd.	India	100.0	21.9
Tietoevry Pay Oy	Finland	100.0	0.1
Tietoevry Sweden AB	Sweden	100.0	154.5
Tietoevry Sweden Support Services AB	Sweden	100.0	0.0
Tietoevry Tech Services Estonia OU	Estonia	100.0	0.0
Tietoevry Tech Services India Pvt. Ltd.	India	100.0	13.7
Tietoevry Tech Services Lithuania UAB	Lithuania	100.0	0.0
Tietoevry Tech Services Slovakia s.r.o.	Slovakia	85.0	0.0
Tietoevry Tech Services Sweden AB	Sweden	100.0	6.4
Dormant subsidiaries (7 in total)			0.1
Total			**533.0**

All subsidiaries are included in the Group consolidation. In India, the official reporting period is 1 April – 31 March according to the Indian legislation.

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27. Interests in joint ventures

Tietoevry has two joint ventures, Tieto Esy Oy in Finland and BuyPass AS in Norway, for the purpose of producing high quality IT services in line with customer requirements.

ACCOUNTING POLICIES

Companies, where Tietoevry has assumed management responsibility, has contractually based joint control with a third party and has rights to the net assets of the company based on the contractual arrangement are included in the consolidated financial statements as joint ventures. Joint ventures are accounted by using the equity method under which the investments in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of joint venture's losses exceeds the carrying amount of the investment, the investment is recognized at zero value in the statement of financial position and the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Sales to and purchases from joint ventures are made on normal market terms and conditions and at market prices. The Group's share of the joint ventures' result for the period is separately disclosed in the income statement.

Joint ventures

	Number of shares		Parent company's share %		Voting right %		Carrying value EUR million	
31 Dec	2023	2022	2023	2022	2023	2022	2023	2022
Tieto Esy Oy	7 300	7 300	80.0	80.0	34.0	34.0	2.6	5.1
BuyPass AS	21 100	21 100	50.0	50.0	50.0	50.0	8.9	9.2
							11.6	14.2

Reconciliation of carrying value

EUR million	2023	2022
Carrying value, 1 Jan	14.2	16.7
Translation differences	-0.6	-0.7
Share of results	1.3	1.0
Dividends received	-1.3	-1.4
Impairments	-2.1	-1.4
Carrying value, 31 Dec	**11.6**	**14.2**

In 2023, as a result of annual impairment testing, Tietoevry Create recognized a goodwill impairment loss of EUR 2.1 million for the carrying value of Tieto Esy Oy. The remaining carrying value of Group level goodwill is EUR 0.3 (2.5) million, all of which relates to Tieto Esy Oy.

In 2022, as part of a new partnership agreement with Ilmarinen and a change in the service delivery model, it was decided to ramp down TietoIlmarinen Oy. In connection with these changes, Tietoevry agreed to acquire the remaining 30% share of the joint venture from Ilmarinen. Tietoevry Transform recognized an impairment loss of EUR 1.4 million for the joint venture and bought the remaining 30% share of the company. TietoIlmarinen has been consolidated as a 100% owned subsidiary since 31 December 2022. The name of TietoIlmarinen Oy has been changed to Tietoevry 12 Oy.

There are no commitments or contingencies related to joint ventures.

Financial and personnel information of joint ventures

The financial information summarised below represents amounts in joint ventures' financial statements prepared in accordance with IFRS Standards.

31 Dec 2023 EUR million	Tieto Esy Oy	BuyPass AS
Non-current assets	0.0	5.6
Current assets	3.3	71.2
Total	**3.4**	**76.8**
Non-current liabilities	–	0.2
Current liabilities	0.5	58.8
Total	**0.5**	**59.0**
Net sales	2.4	29.3
Expenses	-2.4	-26.2
Financial items	0.1	0.2
Result before taxes	**0.1**	**3.3**
Income taxes	-0.0	-0.8
Net result for the financial year	**0.1**	**2.5**
Dividends paid to Tietoevry	0.4	0.9
Average full-time personnel during the financial year	18	80

31 Dec 2022 EUR million	Tieto Esy Oy	Tietolimarinen Oy	BuyPass AS
Non-current assets	0.0	–	5.2
Current assets	4.0	–	45.5
Total	**4.0**	**–**	**50.7**
Non-current liabilities	–	–	–
Current liabilities	0.7	–	32.5
Total	**0.7**	**–**	**32.5**
Net sales	3.9	1.6	30.7
Expenses	-3.2	-2.4	-27.9
Financial items	–	–	0.1
Result before taxes	**0.7**	**-0.8**	**2.9**
Income taxes	-0.2	0.0	-0.7
Net result for the financial year	**0.6**	**-0.8**	**2.2**
Dividends paid to Tietoevry	0.5	–	0.9
Average full-time personnel during the financial year[1)]	27	13	77

[1)] Updated for BuyPass AS based on the monthly average full-time personnel for the year

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28. Related party transactions

Related parties of Tietoevry include joint ventures and key management of the company and their close family members. Key management includes the members of the Board of Directors, Leadership team and the President and CEO.

ACCOUNTING POLICIES

Sales to and purchases from related parties are made on normal market terms and conditions and at market prices. There are no commitments or contingencies on behalf of related parties.

The transactions with related parties are presented below. More information on joint ventures is disclosed in note 27. Information on management remuneration is disclosed in note 8.

Transactions and balances with joint ventures

EUR million	31 Dec 2023	31 Dec 2022
Sales	1.2	2.9
Other operating income	0.6	1.3
Purchases	0.6	1.3
Receivables	0.1	0.1
Liabilities including cash pool	3.1	4.1

29. Commitments and contingencies

The Group's commitments and contingencies mostly relate to lease guarantees and performance commitments.

ACCOUNTING POLICIES

Commitments are disclosed when the Group has a contract where the existence of an obligation will be only confirmed in the future.

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. They can also include obligations that are not recognized in the statement of financial position because settlement is not probable or their amount cannot be measured reliably.

EUR million	31 Dec 2023	31 Dec 2022
For Tietoevry obligations		
Guarantees		
Performance guarantees	150.6	81.7
Payment guarantees	0.6	0.5
Other	0.1	0.1
Other Tietoevry obligations		
Lease commitments, not yet commenced	10.7	22.3
Other	0.5	0.6
On behalf of third parties		
Guarantees		
Performance guarantees	23.4	23.4

In addition to the above, Tietoevry Oyj or other group companies have provided security on behalf of delivering Group company relating to some major contracts.

30. Events after the reporting period

On 9 January, Tietoevry announced that Christian Pedersen, Managing Director of Tietoevry Create since 2022, had decided to pursue interests outside of Tietoevry. Following this, Harri Salomaa was appointed as Acting Managing Director of Tietoevry Create effective 9 January 2024.

In February, Tietoevry's Board of Directors approved the demerger plan concerning a partial demerger of Tietoevry as part of the strategic review and separation process of Tietoevry Banking. Tietoevry Banking is proposed to be separated as a standalone company to be listed on Nasdaq Helsinki. The transaction is subject to shareholder approval at an Extraordinary General Meeting. Tietoevry's Board of Directors retains the optionality to pursue other alternatives for Tietoevry Banking before completion of the demerger, if in the best interests of Tietoevry and its shareholders. Tietoevry has secured in its preparations for the demerger sufficient financing for the demerging businesses with EUR 852 million backup and term loan facilities from certain Nordic banks.

PARENT COMPANY'S FINANCIAL STATEMENTS (According to Finnish Accounting Standards)

Income statement

EUR	Note	2023	2022
Net sales	1	174 294 044.70	179 909 870.30
Other operating income	2	31 773 209.71	32 856 634.87
Personnel expenses	3	-15 468 496.71	-16 030 568.68
Depreciation and impairment losses	8, 9	-24 584 732.95	-25 098 781.42
Other operating expenses	4	-214 599 710.45	-226 355 490.51
Operating profit		**-48 585 685.70**	**-54 718 335.44**
Financial income and expenses	5	95 450 986.94	2 411 659.49
Profit before appropriations and taxes		**46 865 301.24**	**-52 306 675.95**
Appropriations			
Appropriations		-29 368.89	—
Group contribution		75 000 000.00	85 200 000.00
Profit before taxes		**121 835 932.35**	**32 893 324.05**
Income taxes	7	-2 137 958.13	-11 803 303.60
Net profit for the financial year		**119 697 974.22**	**21 090 020.45**

Balance Sheet

Assets

EUR	Note	31 Dec 2023	31 Dec 2022
Non-current assets			
Intangible assets	8	131 692 801.99	155 481 271.96
Tangible assets	9	814 718.41	847 520.29
Investments	10	2 404 283 993.18	2 335 915 021.23
Total non-current assets		**2 536 791 513.58**	**2 492 243 813.48**
Current assets			
Long-term receivables			
Receivables from Group companies	11	90 205 736.24	2 507 111.29
Other receivables	11	635 032.96	1 272 407.23
		90 840 769.20	**3 779 518.52**
Current receivables			
Accounts receivables	12	149 915.85	7 999.14
Receivables from Group companies	12, 13	178 230 090.79	235 250 688.44
Receivables from joint ventures	12, 13	11 107.76	11 757.06
Other receivables	12	9 739 695.69	11 410 838.76
Prepaid expenses and accrued income	13	24 433 936.94	9 768 124.26
		212 564 747.03	**256 449 407.66**
Cash and cash equivalents		100 717 703.28	155 006 594.94
Total current assets		**404 123 219.51**	**415 235 521.12**
Total assets		**2 940 914 733.09**	**2 907 479 334.60**

Shareholders' equity and liabilities

EUR	Note	31 Dec 2023	31 Dec 2022
Shareholders' equity	14		
Share capital		76 555 412.00	76 555 412.00
Share issue premiums		13 791 579.51	13 791 579.51
Invested unrestricted equity reserve		1 207 617 299.52	1 207 617 299.52
Retained earnings		90 421 029.53	250 754 418.13
Net profit for the financial year		119 697 974.22	21 090 020.45
Total equity		**1 508 083 294.78**	**1 569 808 729.61**
Accumulated appropriations		29 368.89	–
Provisions	15	64 229.11	1 051 707.65
Liabilities			
Non-current liabilities			
Bonds	16	300 000 000.00	400 000 000.00
Loans	16	212 389 860.56	226 507 692.30
Accrued liabilities and deferred income	16	5 480.92	70 279.92
Total non-current liabilities		**512 395 341.48**	**626 577 972.22**
Current liabilities	17		
Bonds		100 000 000.00	–
Advances received		83 264.78	–
Accounts payables		9 091 411.75	9 123 775.17
Liabilities to Group companies	17, 18	478 115 095.80	591 952 861.62
Liabilities to joint ventures	17, 18	3 050 111.71	3 543 244.47
Loans		288 381 846.08	93 076 923.08
Other current liabilities		5 303 900.85	2 328 410.56
Accrued liabilities and deferred income	18	36 316 867.86	10 005 710.22
Total current liabilities		**920 342 498.83**	**710 030 925.12**
Total liabilities		**1 432 737 840.31**	**1 336 608 897.34**
Total equity and liabilities		**2 940 914 733.09**	**2 907 479 334.60**

Statement of cash flow

EUR	2023	2022
Cash flow from operating activities		
Net profit / loss before appropriations and taxes	46 865 301.24	-52 306 675.95
Adjustments		
Depreciation, amortization and impairment losses	24 584 732.95	25 098 781.37
Net financial income	-95 450 986.94	-2 411 659.49
Profit on sale of subsidiaries	–	-198 743.08
Other adjustments	-22 698.02	–
Other non-cash items	-1 343 010.46	913 617.45
Cash generated from operating activities before net working capital	**-25 366 661.23**	**-28 904 679.70**
Change in net working capital		
Change in current receivables	38 774 072.95	13 702 680.37
Change in current non-interest bearing liabilities	-53 182 687.53	2 272 892.70
Cash generated from operating activities	**-39 775 275.81**	**-12 929 106.63**
Interest expenses and other financial expenses paid	-71 674 270.59	-51 054 704.73
Interest income received	46 856 606.88	29 131 676.90
Dividend received and equity refund	120 742 785.78	14 877 787.09
Income taxes paid	2 092 004.18	-20 584 994.11
Cash flow from operating activities	**58 241 850.44**	**-40 559 341.49**

EUR	2023	2022
Cash flow from investing activities		
Purchase of tangible and intangible assets	-783 162.79	-666 060.16
Proceeds from sale of tangible and intangible assets	25 890.00	–
Investments in subsidiaries	-68 393 006.72	-65 307.37
Disposal of subsidiaries	–	2 366 224.68
Loans granted	-118 782 614.24	-3 677 530.89
Repayment of other loans	71 141 168.28	103 703 771.48
Cash flow from investing activities	**-116 791 725.47**	**101 661 097.74**
Cash flow from financing activities		
Dividends paid	-171 667 083.40	-165 778 624.20
Purchase of own shares	-9 756 325.65	-3 683 332.86
Proceeds from long-term borrowings	214 000 000.00	–
Repayments of long-term borrowings	-99 502 052.90	-13 076 923.08
Proceeds from short-term borrowings	195 677 679.51	1 902 695.51
Repayments of short-term borrowings	-112 524 409.33	–
Change in intercompany cash pool, net	-97 166 824.86	-43 138 094.63
Group contributions received	85 200 000.00	101 450 000.00
Cash flow from financing activities	**4 260 983.37**	**-122 324 279.26**
Change in cash and cash equivalents	**-54 288 891.66**	**-61 222 523.01**
Cash and cash equivalents at the beginning of period	155 006 594.94	216 229 117.95
Cash and cash equivalents at the end of period	100 717 703.28	155 006 394.94
	-54 288 891.66	**-61 222 523.01**

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Notes to the parent company's financial statements (FAS)

Parent company accounting principles

The financial statements of the Parent company Tietoevry Corporation are prepared in accordance with Finnish Accounting Standards (FAS).

Tietoevry Corporation (business identity code 0101138-5) is a Finnish public limited IT service and software company organized under the laws of Finland and domiciled in Espoo: Keilalahdentie 2-4, 02101 Espoo, Finland. The company is listed on NASDAQ in Helsinki and Stockholm and the Oslo Stock Exchange. The Board of Directors approved the financial statements on 14th February 2024. According to the Limited Liability Companies Act, at the Annual General Meeting, the shareholders have the right to approve, disapprove or change the financial statements after the publication.

Foreign currency items

Foreign currency transactions are initially translated at the exchange rate prevailing on the transaction date. Foreign currency items at the end of the financial period are valued at the exchange rates on the balance sheet date. Foreign currency items are hedged using derivative contracts.

Exchange gains and losses on net financial liabilities are reported in the income statement under financial items, while other exchange gains or losses are included in operating profit. Gains and losses arising from revaluation of derivative contracts are, depending on their nature, reported either under financial items or operating profit.

Net sales

Net sales include internal service fees and exchange rate differences from accounts receivables, less indirect taxes such as value added tax.

Other operating income

Other operating income includes gain on sale of subsidiaries, gain on liquidation of joint venture, rental income and derivative exchange rate gains.

Pension arrangements

The company's pension obligations are administered through pension insurance institutions. Pension obligations are fully covered.

Financial instruments

The company applies the Finnish Accounting Act chapter 5 section 2a and records financial instruments initially at fair value.

See financial instruments accounting policies in the consolidated financial statements note 21.

Appropriations

Group contributions are included in appropriations.

Valuation of fixed assets

Fixed assets are carried at cost less accumulated depreciation. Depreciation is charged according to plan based on the estimated economic lives of the individual assets and accounted for in accordance with the straight-line method.

The company applies the following economic lives:

	Years
Intangible assets (software)	3
Other capitalized expenditure	3–10
Trademark	6
Goodwill from operations	10
Buildings	25–40
Data processing equipment[a)]	3–5
Other machinery and equipment	5
Other tangible assets	5

[a)] Purchases of personal computers are expensed immediately.

Income taxes

The income statement includes the company's income taxes based on taxable profit for the period according to local tax regulations as well as adjustments to prior year taxes. The information related to deferred tax items is included in the notes.

1. Net sales

EUR	2023	2022
Internal service fees	174 294 044,70	179 909 870,30
Total	**174 294 044,70**	**179 909 870,30**

Net sales by country	2023	2022
Finland	45 947 589,09	43 611 994,54
Sweden	45 319 419,39	49 808 301,70
Norway	52 331 500,38	57 735 574,94
Other	30 695 535,84	28 753 999,12
Total	**174 294 044,70**	**179 909 870,30**

2. Other operating income

EUR	2023	2022
Gain on sale of subsidiaries	–	199 693,61
Rental income	20 152 040,14	21 446 499,56
Other income	11 621 169,57	11 210 441,70
Total	**31 773 209,71**	**32 856 634,87**

3. Personnel expenses

EUR	2023	2022
Wages and salaries	13 644 978,01	12 887 110,65
Pension expenses	1 352 796,53	2 662 639,49
Other pay-related statutory social costs	470 722,17	480 818,54
Total	**15 468 496,71**	**16 030 568,68**

The parent company had an average of 92 employees during 2023 and 98 employees in 2022.

4. Other operating expenses

EUR	2023	2022
Information and communication technology	28 581 673,92	28 141 635,67
Internal service fees	120 652 091,20	134 857 732,68
Premises related costs	19 879 920,12	21 710 264,92
Professional services and marketing	20 989 127,91	17 540 936,76
Derivative exchange rate losses on other expenses	11 227 622,14	11 438 526,19
Other operating expenses	13 269 275,13	12 666 394,29
Total	**214 599 710,42**	**226 355 490,51**

Fees to auditors

EUR	2023	2022
Audit fees	748 000,00	709 650,00
Audit related fees	253 300,00	84 080,00
Tax consultation	–	72 000,00
Other services	30 000,00	315 000,00
Total	**1 031 300,00**	**1 180 730,00**

5. Management remuneration

See note 8 in Notes to the consolidated financial statements

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6. Financial income and expenses

EUR	2023	2022
Dividend income		
Dividend income from Group companies	120 333 905.61	13 895 416.25
Dividend income from joint ventures	408 767.77	532 924.57
Dividend income from other companies	112.40	256.26
	120 742 785.78	**14 428 597.08**
Other interest and financial income		
From Group companies	7 158 371.56	6 423 300.72
From other companies	102 703 903.09	49 678 352.80
	109 862 274.65	**56 101 653.52**
Investment write-downs	—	-603 132.00
Interest and other financing expenses		
To Group companies	-8 724 272.80	-3 390 798.99
To other companies	-126 429 800.69	-64 124 670.12
	-135 154 073.49	**-67 515 469.11**
Total	**95 450 986.94**	**2 411 659.49**

7. Income taxes

EUR	2023	2022
Taxes for the financial period / appropriations	14 994 126.22	17 040 000.00
Taxes for the financial period / regular operations	-13 562 980.59	-9 474 378.78
Taxes for the previous years	706 812.50	4 237 682.38
Total	**2 137 958.13**	**11 803 303.60**

8. Intangible assets

EUR	31 Dec 2023	31 Dec 2022
Intangible rights		
Acquisition cost, 1 Jan	24 249 592.04	24 249 592.04
Acquisition cost, 31 Dec	**24 249 592.04**	**24 249 592.04**
Accumulated amortization, 1 Jan	18 405 050.93	16 387 290.14
Amortization for the period	2 000 311.75	2 017 760.79
Accumulated amortization, 31 Dec	**20 405 362.68**	**18 405 050.93**
Book value, 31 Dec	3 844 229.36	5 844 541.11
Goodwill		
Acquisition cost, 1 Jan	212 149 583.27	212 149 583.27
Acquisition cost, 31 Dec	**212 149 583.27**	**212 149 583.27**
Accumulated amortization, 1 Jan	65 184 670.21	43 969 711.93
Amortization for the period	21 214 958.28	21 214 958.28
Accumulated amortization, 31 Dec	**86 399 628.49**	**65 184 670.21**
Book value, 31 Dec	125 749 954.78	146 964 913.06
Other capitalized expenditures		
Acquisition cost, 1 Jan	20 214 412.39	19 825 670.96
Additions	469 553.14	389 225.93
Disposals	-16 509.71	–
Reclassifications	–	-484.50
Acquisition cost, 31 Dec	**20 667 455.82**	**20 214 412.39**
Accumulated amortization, 1 Jan	17 542 594.60	16 103 360.63
Amortization for the period	1 026 243.37	1 439 233.97
Accumulated amortization, 31 Dec	**18 568 837.97**	**17 542 594.60**
Book value, 31 Dec	2 098 617.85	2 671 817.79
Total	**131 692 801.99**	**155 481 271.96**

9. Tangible assets

EUR	31 Dec 2023	31 Dec 2022
Land		
Acquisition cost, 1 Jan	60 270.13	60 270.13
Acquisition cost, 31 Dec	**60 270.13**	**60 270.13**
Machinery and equipment		
Acquisition cost, 1 Jan	33 864 641.83	33 587 323.10
Additions	313 609.65	276 834.23
Disposals	-3 191.98	–
Reclassifications	–	484.50
Acquisition cost, 31 Dec	**34 175 059.50**	**33 864 641.83**
Accumulated depreciation, 1 Jan	33 114 761.97	32 687 933.64
Depreciation for the period	343 219.55	426 828.33
Accumulated depreciation, 31 Dec	**33 457 981.52**	**33 114 761.97**
Book value, 31 Dec	717 077.98	749 879.86
Other tangible assets		
Acquisition cost, 1 Jan	37 370.30	37 370.30
Acquisition cost, 31 Dec	**37 370.30**	**37 370.30**
Book value, 31 Dec	37 370.30	37 370.30
Total	**814 718.41**	**847 520.29**

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10. Investments

EUR	31 Dec 2023	31 Dec 2022
Subsidiary shares		
Acquisition cost, 1 Jan	2 333 141 681.29	2 335 769 623.87
Additions	68 393 006.72	65 307.37
Disposals	-24 034.77	-2 892 357.45
Reclassifications	–	802 239.50
Impairment	–	-603 132.00
Acquisition cost, 31 Dec	**2 401 510 653.24**	**2 333 141 681.29**
Book value, 31 Dec	2 401 510 653.24	2 333 141 681.29
Shares in joint ventures		
Acquisition cost, 1 Jan	2 619 893.60	3 422 133.10
Reclassifications	–	-802 239.50
Acquisition cost, 31 Dec	**2 619 893.60**	**2 619 893.60**
Book value, 31 Dec	2 619 893.60	2 619 893.60
Other shares and interests		
Acquisition cost, 1 Jan	153 446.34	153 446.34
Acquisition cost, 31 Dec	**153 446.34**	**153 446.34**
Book value, 31 Dec	153 446.34	153 446.34
Total	**2 404 283 993.18**	**2 335 915 021.23**

Subsidiary shares

See note 26 in Notes to the consolidated financial statements.

Joint ventures owned and managed by the parent company

See note 27 in Notes to the consolidated financial statements.

11. Long-term receivables

EUR	31 Dec 2023	31 Dec 2022
Loan receivables from Group companies		
Other loan receivables	90 205 736.24	2 507 111.29
Other receivables	635 032.96	1 272 407.23
Total	**90 840 769.20**	**3 779 518.52**

12. Current receivables

EUR	31 Dec 2023	31 Dec 2022
Receivables from Group companies		
Accounts receivable	6 694 092.67	13 382 546.86
Loan receivables	48 632 032.43	101 516 969.93
Other receivables	2 827 560.88	930 644.34
Dividend receivables	40 033 806.35	–
Group contribution receivables	75 000 000.00	85 200 000.00
Prepaid expenses and accrued income	5 042 598.46	34 220 527.31
Total	**178 230 090.79**	**235 250 688.44**
Receivables from joint ventures		
Accounts receivable	11 107.76	11 757.06
Total	**11 107.76**	**11 757.06**
Receivables from other companies		
Accounts receivable	149 915.85	7 999.14
Tax receivable	2 808 239.71	7 038 202.02
Other receivables	6 931 455.98	4 372 636.74
Total	**9 889 611.54**	**11 418 837.90**

13. Prepaid expenses and accrued income

EUR	31 Dec 2023	31 Dec 2022
Prepaid expenses and accrued income from Group companies		
Other	5 042 598.46	34 220 527.31
Prepaid expenses and accrued income from other companies		
Licence fees	6 327 037.70	6 546 933.82
Rents	265.00	2 290.12
Social costs	22 172.62	23 393.88
Bond discount and issue costs	1 126 075.95	1 214 000.23
Interest income	15 466 006.94	–
Other	1 492 378.73	1 981 506.21
	24 433 936.94	**9 768 124.26**
Total	**29 476 535.40**	**43 988 651.57**

14. Changes in shareholders' equity

EUR	31 Dec 2023	31 Dec 2022
Restricted equity		
Share capital, 1 Jan	76 555 412.00	76 555 412.00
Share capital, 31 Dec	**76 555 412.00**	**76 555 412.00**
Share issue premiums, 1 Jan	13 791 579.51	13 791 579.51
Share issue premiums, 31 Dec	**13 791 579.51**	**13 791 579.51**
Restricted equity total	**90 346 991.51**	**90 346 991.51**
Unrestricted equity		
Invested unrestricted equity reserve, 1 Jan	1 207 617 299.52	1 207 617 299.52
Invested unrestricted equity reserve, 31 Dec	**1 207 617 299.52**	**1 207 617 299.52**
Retained earnings, 1 Jan	271 844 438.58	420 216 375.19
Purchase of own shares	-9 756 325.65	-3 683 332.86
Dividend distributions	-171 667 083.40	-165 778 624.20
Retained earnings, 31 Dec	**90 421 029.53**	**250 754 418.13**
Net profit for the financial year	119 697 974.22	21 090 020.45
Unrestricted equity total	**1 417 736 303.27**	**1 479 461 738.10**
Shareholders' equity, total	**1 508 083 294.78**	**1 569 808 729.61**
Distributable funds		
Invested unrestricted equity reserve	1 207 617 299.52	1 207 617 299.52
Retained earnings	90 421 029.53	250 754 418.13
Net profit for the financial year	119 697 974.22	21 090 020.45
Total	1 417 736 303.27	1 479 461 738.10
Breakdown of the parent's share capital		
Number of shares	118 425 771	118 425 771
Euros	76 555 412.00	76 555 412.00

15. Provisions

EUR	31 Dec 2023	31 Dec 2022
Restructuring commitments	30 952.00	205 029.46
Other provisions	33 277.11	856 678.19
Total	**64 229.11**	**1 061 707.65**

16. Non-Current liabilities

EUR	31 Dec 2023	31 Dec 2022
Bonds	300 000 000.00	400 000 000.00
Loans	212 389 860.56	226 507 692.30
Accrued liabilities and deferred income	5 480.92	70 279.92
Total	**512 395 341.48**	**626 577 972.22**

Fair value of bonds has been calculated based on prevailing market rate at the reporting date and as of 31 Dec 2023 it was EUR 291 423 000 (EUR 378 765 000 in 2022).

17. Current liabilities

EUR	31 Dec 2023	31 Dec 2022
Liabilities to Group companies		
Accounts payable	9 195 407.57	12 300 548.01
Other liabilities including cash pool[1]	454 335 076.44	545 302 516.27
Accrued liabilities and deferred income	14 584 611.79	34 349 797.34
	478 115 095.80	**591 952 861.62**
Liabilities to joint ventures		
Accounts payable	–	745.49
Other liabilities including cash pool[1]	3 050 111.71	3 542 498.98
	3 050 111.71	**3 543 244.47**
Liabilities to other companies		
Bonds	100 000 000.00	–
Advances received	83 264.78	–
Accounts payable	9 091 411.75	9 123 775.17
Loans	288 581 846.08	93 076 923.08
Other current liabilities	5 303 900.85	2 328 410.56
Accrued liabilities and deferred income	36 316 867.86	10 005 710.22
	439 177 291.32	**114 534 819.03**
Total	**920 342 498.83**	**710 030 925.12**

[1] The cash pool liability to Tietoilmarinen has been reclassified from Liabilities to joint venture to Liabilities to Group companies in comparative figures. Tietoilmarinen became a 100% owned subsidiary in December 2022. The name of Tietoilmarinen Oy has been changed to Tietoevry 17 Oy.

Loans and receivables and financial liabilities are held at amortized cost using the effective interest rate method. Their carrying amounts are considered to approximate their fair value, except for the fixed rate bond where carrying amount has not been adjusted to match the fair value.

Fair value of bonds has been calculated based on prevailing market rate at the reporting date and as of 31 Dec 2023 it was EUR 98 124 000.

18. Accrued liabilities and deferred income

EUR	31 Dec 2023	31 Dec 2022
Accrued liabilities and deferred income from Group companies		
Service fee	14 501 872.02	34 344 946.02
Interest	82 739.77	4 851.32
	14 584 611.79	**34 349 797.34**
Accrued liabilities and deferred income from other companies		
Vacation pay and related social costs	1 640 265.30	1 678 748.85
Other accrued payroll and related social costs	1 994 383.79	2 446 083.06
Other social costs	302 655.77	267 297.55
Interest	28 772 948.56	4 317 255.86
Rents	—	325 673.16
Other	3 606 614.44	970 651.74
	36 316 867.86	**10 005 710.22**
Total	**50 901 479.65**	**44 355 507.56**

19. Deferred tax assets and liabilities

EUR	31 Dec 2023	31 Dec 2022
Deferred tax assets		
From temporary differences	6 655.42	50 696.33
From appropriations	—	90 401.43
Total	**6 655.42**	**141 097.76**
Deferred tax liabilities		
From temporary differences	—	52 824.10
From appropriations	5 873.78	—
Total	**5 873.78**	**52 824.10**

Deferred tax items are not included in the balance sheet. Comparative information has been updated to reflect only those deferred tax assets presented in accordance with FAS.

20. Contingent liabilities

EUR	31 Dec 2023	31 Dec 2022
On behalf of Group companies		
Guarantees	224 781 619.93	127 985 836.34
Other Tietoevry obligations		
Rent commitments due in 2024 (2023)	7 316 116.50	9 448 124.97
Rent commitments due later	16 130 320.09	25 415 631.32
Lease commitments due in 2024 (2023)[1]	333 901.00	310 373.33
Lease commitments due later[1]	354 096.37	359 277.65
On behalf of Third parties		
Guarantees	23 431 867.34	23 377 510.83

[1] Lease commitments are principally three-year lease agreements that do not include buyout clauses

In addition to the above mentioned contingent liabilities, parent company has provided security on behalf of delivering Group company relating to some major contracts.

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21. Derivatives

Nominal amounts of derivatives

Includes the gross amount of all nominal values for contracts that have not yet been settled or closed. The amount of nominal value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by other contracts.

EUR	31 Dec 2023	31 Dec 2022
Foreign exchange forward contracts	630 995 010.27	555 880 076.06
Interest rate swaps	280 000 000.00	40 000 000.00

Fair values of derivatives

The fair values of foreign exchange derivatives are calculated according to foreign exchange and interest rates on the closing date.

The net fair values of derivative financial instruments at the balance sheet date	31 Dec 2023	31 Dec 2022
Foreign exchange forward contracts	3 545 431.67	-601 987.54
Interest rate swaps	-4 551 996.79	6 354.00

Derivatives are used for economic purposes only.

Gross positive fair values of derivatives	31 Dec 2023	31 Dec 2022
Foreign exchange forward contracts	8 641 211.39	4 458 629.36
Interest rate swaps	15 466 006.94	2 860 052.00

Gross negative fair values of derivatives	31 Dec 2023	31 Dec 2022
Foreign exchange forward contracts	-5 095 779.72	-5 060 616.87
Interest rate swaps	-20 018 003.73	-2 853 698.00

Fair value measurement of financial assets and liabilities

See note 21 in Notes to the consolidated financial statements.

22. Management of financial risks

The operative management of the treasury activities of Tietoevry is centralized in Group Treasury, which is operated from the Parent company. The Group Treasury is responsible for managing the Group's financial risk position and maintaining adequate liquidity. The Treasury Policy, which has been approved by the Board of Directors, defines the principles for measuring and managing liquidity risk, interest rate risk, foreign exchange risks and counterparty risk of the Group. The Treasury Policy also defines the division of responsibilities with regard to financial risk management. The Group reviews and monitors financial risks on a regular basis.

Financial risks are assessed, measured and managed on a Group level. See note 18 in Notes to the consolidated financial statements.

DIVIDEND PROPOSAL, SIGNATURES FOR THE BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS AND AUDITOR'S NOTE

Dividend proposal (EUR)

Distributable funds in the parent company	1 417 736 303.27
of which net profit for the current year	119 697 974.22

The Board of Directors proposes that the retained earnings of EUR 210 119 003.75 shall be used as follows:

a total dividend of EUR 1.47 per share to be paid to shareholders	174 034 905.24
the remainder to be carried forward	36 084 098.51

In the opinion of the Board of Directors the proposed dividend distribution does not endanger the solvency of the company.

Signatures for the Financial statements and Board of Directors' report

Espoo, 14 February 2024

Tomas Franzén
Chairperson

Harri-Pekka Kaukonen
Deputy Chairperson

Bertil Carlsén

Elisabetta Castiglioni

Liselotte Hägertz Engstam

Katharina Mosheim

Gustav Moss

Endre Rangnes

Petter Söderström

Tommy Sander Aldrin

Anders Pålklint

Kimmo Alkio
President and CEO

The Auditor's Note

Our auditors' report has been issued today.

Espoo, 14 February 2024

Deloitte Oy
Audit Firm

Jukka Vattulainen
Authorised Public Accountant (KHT)

AUDITOR'S REPORT (Unofficial translation of the Finnish original)

To the Annual General Meeting of Tietoevry Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tietoevry Oyj (business identity code 0101138-5) for the year ended 31 December, 2023. The financial statements comprise the consolidated income statement, statement of comprehensive income, financial position, statement of cash flows, statement of changes in equity and notes, including material accounting policy information, as well as the parent company's income statement, balance sheet, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014.

The non-audit services that we have provided have been disclosed in note 7 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Refer to Note 6 in the consolidated financial statements. Consolidated revenue of Tietoevry Oyj amounted to EUR 2 851.4 million (EUR 2 928.1 million). Revenue consist mostly of continuous services, software solutions and consulting. In addition to this, the Company has fixed-price projects. Revenue from service contracts, software solutions and consulting is based on service volumes or time and materials; and the performance obligations are recognized over the accounting period in which the services are rendered. For contracts comprising fixed-price projects, revenue is recognized based on the actual service provided by the reporting date as a proportion of the total services to be provided. Revenue is a key financial indicator and consists of a large volume of transactions. For this reason the functionality of information system controls is emphasised in revenue recognition. A significant part of the revenue is automatically recognized in accounting through IT systems based on the fulfilment of the performance obligation. Revenue recognition due to its significance require specific attention both from the accounting and the auditing perspective.	We have evaluated the IT systems used for recognizing revenue by testing access and change management controls. We have also evaluated process level controls by performing walkthroughs of significant classes of revenue transactions, assessed the design of key controls and tested the operating effectiveness of those controls. We have analyzed the transactions recorded to revenue by applying data analytics to identify entries originating from automated processes and entries from manual journals. Based on our revenue related risk assessment we have focused our substantive audit procedures to the transactions estimated as higher risk transactions. Our substantive audit procedures to address the identified risk relating to revenue from services, software solutions and consulting consisted among others, performing transactional testing procedures to validate the recognition of revenue throughout the year as well as year-end. Our substantive audit procedures to address the risk of inappropriate accounting for fixed-priced projects were focused on judgements used by management in project estimates. We selected a sample of contracts and assessed the estimates based on projects' status and forecasted costs and income. We agreed the revenue estimates against the sales agreements and ensured that the revenue recognition method applied was appropriate based on the terms of the agreement. We recalculated the revenue based on percentage of completion and assessed the appropriateness of the percentage of completion by comparing actual costs from the Company's accounting records to the estimated total costs of the project.

Key audit matter	How our audit addressed the key audit matter
Impairment testing of Goodwill Refer to Note 11 in the consolidated financial statements. Consolidated financial statements includes goodwill of EUR 1 907.3 million (1 846.5 million). Goodwill is measured at cost less accumulated impairment losses. Goodwill is subject to annual impairment test. For testing purposes goodwill is allocated to cash-generating units. As a result of management's goodwill impairment test, no impairment was identified. Goodwill impairment testing requires substantial management judgment over the projected future business performance, cash flows and applied discount rate. Note 11 in the consolidated financial statements describes key assumptions used by management in the impairment test and related sensitivity analysis.	We have performed audit procedures on impairment testing prepared by management relating to material cash generating units and assessed key controls over management's goodwill impairment testing. The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. Cash flows used in these calculations are based on five-year financial plans defined by group management. We have assessed the key assumptions used by management in the impairment test for cash generating units by: • comparing the growth and profitability estimates used by management to historical performance. • comparing the estimates with the latest approved budgets and strategic plans. • involving our valuation specialists to verify that the discount rates and the long-term growth rates are consistent with observable market data. • validated the mathematical accuracy of the impairment calculations. We have also assessed the related disclosure information.

We have no key audit matters to report with respect to our audit of the parent company financial statements. There are no significant risks of material misstatement referred to in EU regulation No 537/2014, point (c) of Article 10(2) relating to the consolidated financial statements or the parent company's financial statements.

Responsibilities of the Board of Directors and the President and CEO for the Financial Statements

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and CEO are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the President and CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We have been acting as Tietoevry's auditors a total period of uninterrupted engagement of 6 years since 2018

Other information

The Board of Directors and CEO are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Espoo, 14 February 2024

Deloitte Oy

Audit Firm

Jukka Vattulainen

Authorised Public Accountant (KHT)

(Translation of the Finnish Original)

Independent auditor's report on the ESEF consolidated financial statements of Tietoevry Oyj

To the Board of Directors of Tietoevry Oyj

We have performed a reasonable assurance engagement on whether the iXBRL tagging of the consolidated financial statements in the ESEF consolidated financial statements (549300EW2KM4KROKQV31-2023-12-31-en.zip) of Tietoevry Oyj (0101138-5) for the financial year 1.1.-31.12.2023 has been prepared in accordance with the requirements of Article 4 of Commission Delegated Regulation (EU) 2018/815 (ESEF RTS).

Responsibilities of the board of directors and the Group CEO

The Board of Directors and the Group CEO are responsible for the preparation of the report of the Board of Directors and financial statements (ESEF financial statements) that comply with the requirements of ESEF RTS. This responsibility includes

- preparation of ESEF financial statements in XHTML format in accordance with Article 3 of ESEF RTS
- tagging the consolidated financial statements' primary statements, disclosures and identifying information in the ESEF financial statements with iXBRL tags in accordance with Article 4 of ESEF RTS, and
- ensuring consistency between ESEF financial statements and audited financial statements.

The Board of Directors and the Group CEO are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of ESEF RTS.

Auditor's independence and quality control

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Management 1 and accordingly, an audit firm shall design, implement, and maintain a system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's responsibilities

In accordance with the engagement letter, we express an opinion on whether the tagging of the consolidated financial statements in the ESEF financial statements has been prepared in all material respects in accordance with the requirements of Article 4 of ESEF RTS. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000.

The engagement includes procedures to obtain evidence on

- whether the tagging of the consolidated financial statements' primary statements in the ESEF financial statements has been prepared in all material respects in accordance with the requirements of Article 4 of ESEF RTS
- whether the tagging of the consolidated financial statements' disclosures and identifying information in the ESEF financial statements has been prepared in all material respects in accordance with the requirements of Article 4 of ESEF RTS, and
- whether the ESEF financial statements are consistent with the audited financial statements.

The nature timing and extent of the procedures selected depend on the auditor's judgment. This includes the assessment of risk of material departures from the requirements set out in ESEF RTS, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the tagging of the consolidated financial statements in the ESEF financial statements (549300EW2KM4KROKQV31-2023-12-31-en.zip) of Tietoevry Oyj for the financial year 1.1.-31.12.2023 has been prepared in all material respects in accordance with the requirements of Article 4 of ESEF RTS.

Our audit opinion on the consolidated financial statements of Tietoevry Oyj for the financial year 1.1.-31.12.2023 has been expressed in our auditor's report dated 14 February 2024. In this report, we do not express an audit opinion or any other assurance conclusion on the consolidated financial statements.

Espoo, 14th February 2024

Deloitte Oy

Audit Firm

Jukka Vattulainen

APA

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About our sustainability report

Scope

The non-financial data and information included in our Annual Report 2023 describes our sustainability efforts across our value chain, ranging from our purchasing activities to the use of our services and products. The disclosures focus on the sustainability topics that are most material based on our impact.

The sustainability disclosures in this year's report include the Parent company Tietoevry Corporation and all subsidiaries over which the Parent company has direct or indirect control, unless otherwise stated. No data in this sustainability report covers the subsidiary MentorMate as the focus has been on integration of the company, acquired in July 2023. Data from MentorMate is intended to be incorporated in 2024 years report.

Greenhouse gas emission data does not cover Tietoevry's Norwegian subsidiary Bekk Consulting AS (around 400 employees).

Circularity data covers Nordic and EU operating countries and major parts of operations in Asia. The figures used in this report concern personal computers, laptops and mobiles. The reported data is based on the returned devices from Tietoevry's internal or customer use. The circularity % is calculated as a sum of reused and recycled devices. Our ambition is to scale to full coverage.

Code of Conduct, GDPR and Security e-learning training data does not cover the subsidiaries Avega and Bekk, due to those entities not being integrated in Tietoevry's Learning Managing System (LMS). Security training data does not cover Infopulse due to the same reason, while employees in this entity have access to a separate Security training session outside the LMS.

Unless otherwise stated, our workforce related figures are based on GRI Standards and numbers are based on headcount at the end of the reporting period. Workforce data for 2020 does not cover the subsidiaries Avega and Bekk. Workforce data for 2021 does not cover Avega. Workforce data for 2021 does not cover Avega, except for disclosure 401-1 New employee hires and employee turnover. Data on senior management by gender does not cover the subsidiaries Avega, Bekk, EVRY India and Infopulse for 2021, 2021, 2022 and 2023. The data sources are company systems that provide data

on full-time, part-time, permanent and temporary employees. As Infopulse, Bekk and Avega use external systems, data has been transferred via e-mail and Excel in those cases.

Unless otherwise stated, all information and data pertain to activities from 1 January to 31 December 2023.

Carbon accounting methodology

Energy and emission calculations follow the Greenhouse Gas Protocol, and emissions are reported as CO_2 equivalents (CO_2e). The electricity-emission factors are based on national gross electricity production mixes (annual statistics) from the International Energy Agency's statistics (IEA stat). Emission factors per fuel type are based on assumptions in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA statistics. The scope 2 market-based calculations are determined by the purchased Guarantees of origin (GoO)/Renewable Energy Certificates (REC). When acquiring GoOs or RECs, the supplier certifies that the electricity is produced exclusively by renewable sources, which have an emission factor of 0 grams CO_2e per kWh. However, for electricity without certificates the emission factor is based on the remaining electricity production after all GoOs and RECs for renewable energy are sold.

The emission factors used for European residual mixes are provided by AIB (2023) and European Residual Mixes 2022. Country-specific IEA emission factors are used for non-EU countries. Purchased renewable district-heating and cooling products are counted as zero emissions, according to the scope 2 market-based method. The base year for the scope 1 and 2 GHG calculations is 2020. The base year for scope 3 business travel GHG calculations is 2019. In the report, the metric ton/UK tonne equivalent to 1,000 kilograms is stated solely as a ton.

In order to meet future reporting requirements and to align our reporting with our Science Based Targets, Tietoevry started to report scope 3 emissions more extensively and added four categories into reporting in 2022: Purchased goods and services, Fuel- and energy related activities, Employee commuting and Use of sold products. The base year for scope 3 GHG emission calculations in these categories is thus 2022. To ensure complete data accuracy, further development of categorization and calculation methods were carried out during 2023.

Purchased goods and services: Tietoevry's company-wide spend data has been used to identify purchase categories and GHG emissions. Emission factors used in calculations come from the Department for Environment, Food and Rural Affairs (DEFRA), 2014, and are based on an input-output model that links monetary accounts with GHG emissions of different sectors of the economy. The emission factors cover all GHG and are expressed in CO_2 equivalents. The Global Warming Potential (GWP) of factors used is 100 years GWP and comes from the Intergovernmental Panel on Climate Change (IPCC)'s fifth assessment report.



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Fuel-and-energy-related activities (not included in Scope 1 or 2): These are upstream scope 3 emissions from the reported fuel and electricity consumption in scope 1 and 2. The data source is identical to the data sources in scope 1 and 2 and the source for the emission factors is The Department of Environment, Food and Rural Affairs, DEFRA 2023. The Global Warming Potential (GWP) of factors used is 100 years GWP and comes from the Intergovernmental Panel on Climate Change (IPCC)'s fifth assessment report.

Waste generated in operations: The activity data is provided by the waste management supplier or property manager. Waste type-specific and waste treatment-specific emission factors have been used in the calculations. Recycled-waste fractions include only a small transport component (collection of waste). The source for the emission factors is The Department of Environment, Food and Rural Affairs, DEFRA 2023. The Global Warming Potential (GWP) of factors used is 100 years GWP and comes from the Intergovernmental Panel on Climate Change (IPCC)'s fifth assessment report.

Business travel: The emission factors represent $kgCO_2e$ emitted per kilometer or passenger kilometer for each mode of transport. Emissions from business travel by air are reported by Tietoevry's travel agency. Mileage allowance (car) is calculated using the emission factor for mileage allowance, reference DEFRA 2023. The Global Warming Potential (GWP) of factors used is 100 years GWP and comes from the Intergovernmental Panel on Climate Change (IPCC)'s fifth assessment report.

Employee commuting: Emissions related to commuting are based on actual commuting to work as well as homeworking. Homeworking emissions are calculated based on the number of full-time employees, working hours per day and days at the home office. This is then multiplied by an estimation of average W for lighting (10W) and electricity (140W) required for working from home. After this, the result is divided by 1000 and the result will be the total amount of kWh for the home office. The kWh is converted into $tCO2e$ by using country-specific emission factors. The source of emission factors used in the calculation is the International Energy Agency (IEA), 2023 for homeworking and DEFRA 2023 for mode of transport. The emissions are from a lifecycle emission perspective, and the Global Warming Potential (GWP) of factors used is 100 years GWP and comes from the Intergovernmental Panel on Climate Change (IPCC)'s fifth assessment report.

Upstream leased assets: Scope 1 and Scope 2 emissions according to market-based method from outsourced data centers. The emission factors used in the calculation come from Scope 1 - DEFRA 2023 and Scope 2 - AIB (2023), European Residual Mixes 2022. The emissions are from a lifecycle emission perspective and the Global Warming Potential (GWP) of factors used is 100 years GWP and comes from the Intergovernmental Panel on Climate Change (IPCC)'s fifth assessment report.

Use of sold products: Calculations include quantities of products sold per country, electricity consumption per use of product per year and the

expected lifetime of the product. The emission factor applied is country specific (location-based) and from a life cycle perspective. Example of sold products are PCs, laptops, monitors, servers, etc. The emission factors used in calculation come from International Energy Agency, IEA (2023).

Restatement of information

In 2023, there has not been a need to make any restatement of information.

Regarding disclosure 205-1 Operations assessed for risk of corruption, 2022 years figures is not comparable with 2023 years figures due to a change in methodology. However, data from 2020 and 2021 remains comparable with data from 2023. Data covering the yearly results except 2022 is based on headcount.

Reporting framework and UN Global Compact Communication on Progress (CoP)

Our sustainability report for 2023 is prepared in accordance with the GRI Standards.

Tietoevry has signed the UN Global Compact (UNGC), which means that we commit to implementing the ten principles for sustainable business. Tietoevry's annual and sustainability reports are designed to outline how Tietoevry aligns its strategy and operations with the UNGC's principles. In the GRI-index, page 241, references to the principles can be found.

Tietoevry supports the UN's Sustainable Development Goals and we have analyzed our impact on them with the help of "principled prioritization." This means that we have aligned our corporate strategy, efforts and allocated resources that reflect our significant impacts assessed as a part of our materiality analysis. References to which global goals we actively work with can be found in the sustainability dashboard.

Legislation on non-financial reporting

Information about the companies within the Tietoevry Group that are covered by the legislation are included in the non-financial information in the Board of Directors' report. Tietoevry's Board of Directors reviews the non-financial information.

External assurance

An independent third party, Deloitte Oy, has provided limited assurance on the sustainability information disclosed in Tietoevry's Annual Report 2023. The scope of the assured information is indicated in the independent practitioner's assurance report as well as in the GRI content index. In our view, a third-party independent assurance increases transparency, helps us to improve and is key to delivering a high-quality report.

Publication

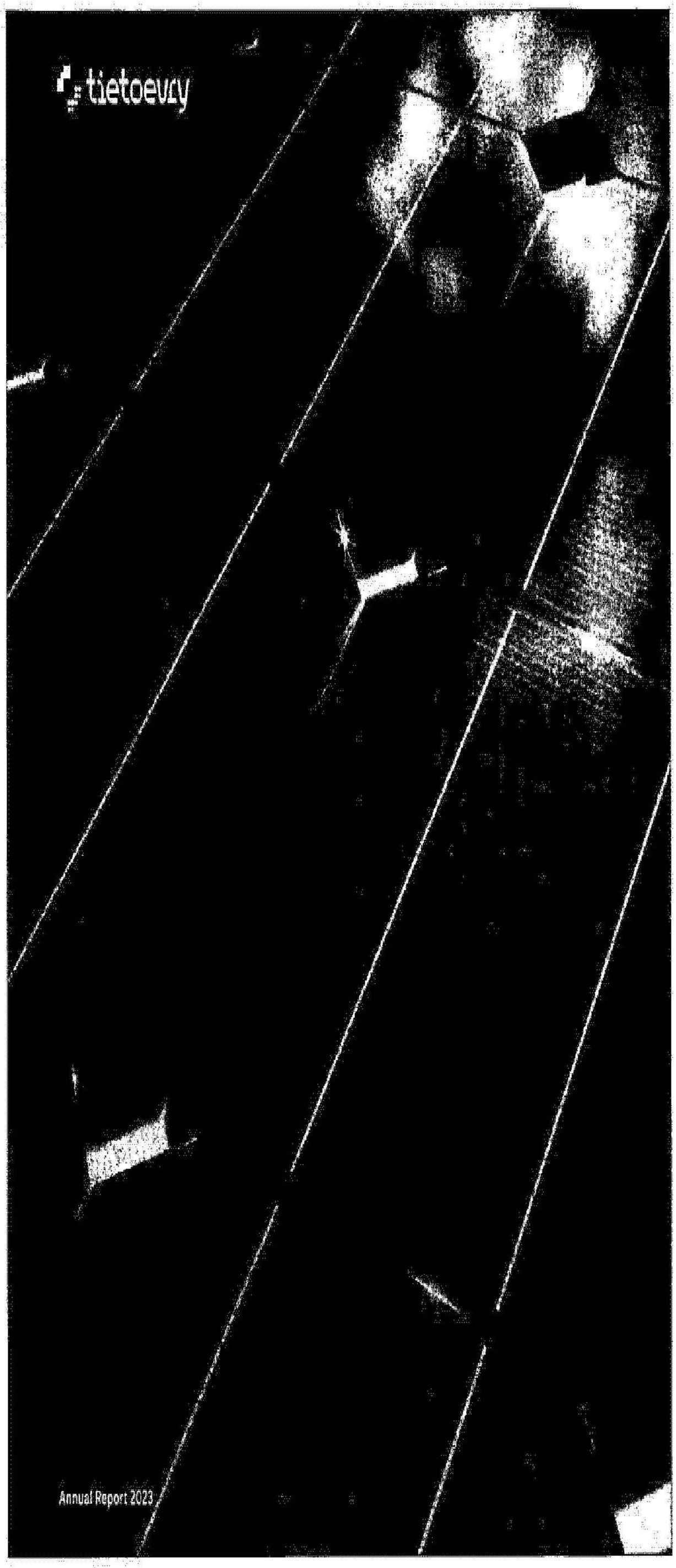
Our combined annual and sustainability report 2023 was published on 29 February 2024.

Sustainability contacts

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Independent limited assurance report

To the Management of Tietoevry Oyj

We have been engaged by the management of Tietoevry Oyj (business identity code 0101138-5, hereinafter also the Company) to provide a limited assurance on the selected sustainability disclosures (hereinafter Sustainability Information) in the Tietoevry Annual Report 2023 for the reporting period of January 1, 2023 to December 31, 2023. The assured information is indicated in the Company's GRI Content Index 2023.

Management's responsibility

The Management of Tietoevry is responsible for the preparation of the Sustainability Information in accordance with the Reporting criteria as set out in the Company's reporting instructions and the GRI Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter also the Reporting criteria). This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Sustainability Information that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate criteria and making estimates that are reasonable in the circumstances.

Assurance provider's responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on our engagement. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised).

ISAE 3000 standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that cause us to believe that the Sustainability Information has not been prepared, in all material respects, in accordance with the Reporting criteria.

We did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Sustainability Information. Consequently, we draw no conclusion on the prospective information.

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Our assurance report is made in accordance with the terms of our engagement with Tietoevry. We do not accept or assume responsibility to anyone other than Tietoevry for our work, for this assurance report, or for the conclusions we have reached.

A limited assurance engagement with respect to responsibility related data involves performing procedures to obtain evidence about the Sustainability Information. The procedures performed depend on the practitioner's judgment, but their nature is different from, and their extent is less than, a reasonable assurance engagement. They do not include detailed testing of source data or the operating effectiveness of processes and internal controls, and consequently they do not enable us to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable assurance engagement.

Our procedures on this engagement included:

- → Interviewing senior management of the Tietoevry Oyj;
- → Conducting interviews with employees responsible for the collection and reporting of the Sustainability Information and reviewing of the processes and systems for data gathering, including the aggregation of the data for the Sustainability Information;
- → Reviewing internal and external documentation to verify to what extent these documents and data support the information included in the Sustainability Information and evaluating whether the information presented in the Sustainability Information is in line with our overall knowledge of corporate sustainability at Tietoevry Oyj;
- → Performing analytical review procedures, recalculations and testing data on a sample basis to assess the reasonability of the presented Sustainability Information;
- → Conducting an interview with Tietoevry's sites in Stockholm and Pune through a video conference;
- → Assessing that the Sustainability Information has been prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence, quality control, and competences

We have complied with Deloitte's independence policies which address and, in certain cases, exceed the requirements of the Code of Ethics for professional accountants issued by the International Ethics Standards Board for Accountants. We have maintained our independence and objectivity throughout the year, and there were no events or prohibited services provided which could impair our independence and objectivity.





Deloitte Oy applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. This engagement was conducted by a multidisciplinary team including assurance and sustainability expertise with professional qualifications. Our team is experienced in providing sustainability reporting assurance.

Conclusion

Based on the procedures we have performed, nothing has come to our attention that causes us to believe that Tietoevry's Sustainability Information for the reporting period ended 31 December 2023 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

Our assurance statement should be read in conjunction with the inherent limitations of accuracy and completeness for sustainability information.

Espoo, February 27, 2024
Deloitte Oy

Jukka Vattulainen	Anu Servo
Authorized Public Accountant	Authorized Public Accountant

ENERGY CONSUMPTION AND GHG EMISSIONS

Emission class	Unit	2020	2021	2022	2023	% Change 2023-2022
302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION						
Stationary combustion						
Diesel total	kWh	525,800	472,000	489,200	317,800	-35%
Transportation						
Diesel total	kWh	19,700	49,400	425,500	322,900	-24%
Petrol total	kWh	22,000	7,500	2,900	93,000	3,107%
Total scope 1 energy consumption	kWh	567,500	528,900	917,600	733,700	-20%
Electricity	kWh	100,346,394	90,724,850	81,339,300	74,455,100	-8%
Cooling	kWh	19,269,706	17,683,600	16,975,096	15,420,100	-9%
Heating	kWh	9,381,487	13,628,900	11,841,700	9,323,000	-21%
Total scope 2 energy consumption	kWh	128,997,587	122,037,350	110,156,096	99,198,200	-10%
Total energy scope 1 & 2	kWh	129,565,087	122,566,250	111,073,696	99,931,900	-10%
302-4 REDUCTION OF ENERGY CONSUMPTION						
No data in 2020	kWh		6,998,838	11,492,554	11,141,796	
305-1, 305-2 TOTAL DIRECT AND INDIRECT GHG EMISSIONS						
Diesel total	tCO_2e	138	132	231	171	-26%
Petrol total	tCO_2e	5	2	1	24	2,300%
Electricity (location-based)	tCO_2e	11,317	7,936	6,378	6,312	-1%
Electricity (market-based)	tCO_2e	8,845	5,578	2,078	704	-66%
Cooling	tCO_2e		0	1	2	100%
Heating (location-based)	tCO_2e	1,055	1,399	1,424	1,563	10%
Heating (market-based)	tCO_2e			707	700	-1%
Total GHG scope 1	tCO_2e	143	134	232	195	-16%
Total GHG scope 2 (location-based)	tCO_2e	12,372	9,336	7,803	7,877	1%
Total GHG scope 2 (market-based)	tCO_2e	9,899	5,499	2,786	1,406	-50%
Total GHG scope 1&2 (location-based)	tCO_2e	12,515	9,470	8,035	8,072	0%
Total GHG scope 1&2 (market-based)	tCO_2e	10,042	5,633	3,018	1,601	-47%

Emission class	Unit	2020	2021	2022	2023	% Change 2023-2022
305-3 OTHER RELEVANT INDIRECT (SCOPE 3) GHG EMISSIONS						
Purchased goods and services	tCO_2e			218,398	189,227	-13%
Fuel- and energy-related activities	tCO_2e			2,638	3,131	19%
Business travel	tCO_2e	1,898	717	3,801	4,639	22%
Business travel- flights	tCO_2e	1,755	669	3,696	4,299	16%
Business travel- own cars	tCO_2e	143	48	105	340	224%
Upstream leased assets	tCO_2e	364	91	38	59	55%
Waste generated in operations	tCO_2e	51	39	40	97	143%
Employee commuting	tCO_2e			4,377	4,380	0%
Use of sold products	tCO_2e			3,216	3,884	21%
Total GHG scope 3 emissions	tCO_2e	2,313	847	232,508	205,417	-12%
Total Tietoevry GHG emissions (location-based)	tCO_2e	14,828	10,317	240,542	213,489	-11%
Total Tietoevry GHG emissions (market-based)	tCO_2e	12,355	6,480	235,525	207,018	-12%
305-5 REDUCTION OF GHG EMISSIONS						
Scope 3	tCO_2e	6,961	1,466	NA**	27,092	
Scope 2	tCO_2e	9,011	4,125	2,713	1,379	
302-3 ENERGY INTENSITY	MWh/Meur	47	43	38	35	-8%
305-4 GHG EMISSION INTENSITY	tCO_2e/Meur	4.0	2.0	1.0	0.6	-44%
Other						
Energy returned back to district network	kWh	12,318,390	13,650,000	10,168,170	13,317,200	
Tietoevry KPI 5.1 Percentage of renewable and carbon free electricity in scope 1 and 2	%	80	92	95	99	
Tietoevry KPI 5.2 Reduction of total Scope 1 and 2 GHG emissions	tCO_2e	9,011	4,410	2,615	1,416	
Tietoevry KPI 5.2 Reduction of total Scope 3 GHG emissions	tCO_2e	6,961	1,466	NA**	27,092	
Tietoevry KPI 5.3 Reduction of average carbon footprint from business travel per employee	%	91	97	83	79	

*Covering scope 1 and 2 emissions.

**Scope 3 reductions are not accounted for during 2022 due to an increase in number of scope 3 categories and subsequently a new baseline (i.e. 2022). For the category business travel an increase of carbon emissions took place during 2022 and thus no reduction is to be reported.

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DIVERSITY AND INCLUSION METRICS

FULL-TIME EMPLOYEES

	2023	2022	2021
Male	69%	70%	71%
Female	31%	30%	29%
Other	0.04%	0.02%	0.01%
Total	23,283	24,418	23,984

PART-TIME EMPLOYEES

	2023	2022	2021
Male	58%	57%	59%
Female	43%	43%	41%
Other	0%	0%	0%
Total	1,085	1,076	1,165

PERMANENT EMPLOYMENT CONTRACT

	2023	2022	2021
Male	69%	69%	71%
Female	31%	31%	29%
Other	0.04%	0.02%	0.01%
Total	23,791	24,821	24,867

TEMPORARY EMPLOYMENT CONTRACT

	2023	2022	2021
Male	69%	71%	66%
Female	31%	29%	34%
Other	0%	0%	0%
Total	577	673	593

TOTAL NUMBER OF EMPLOYEES

	2023	2022	2021
Female	31%	30%	29%
Male	69%	69%	71%
Total	24,368	25,494	25,460

SENIOR MANAGEMENT

	2023	2022	2021
Female	24%	23%	23%
Male	76%	77%	77%
Total	352	391	421

BOARD OF DIRECTORS

	2023	2022	2021
Female	33%	38%	33%
Male	67%	63%	67%
Total	9	8	9

LEADERSHIP TEAM

	2023	2022	2021
Female	11%	11%	17%
Male	89%	89%	83%
Total	9	9	12

Total number of employees by age groups

	2023	2022	2021
< 30	19%	22%	21%
30-50	59%	59%	59%
> 50	22%	19%	20%

Senior management by age groups

	2023	2022	2021
< 30	0%	0%	0%
30-50	42%	49%	52%
> 50	58%	51%	48%

Board of directors by age groups

	2023	2022	2021
< 30	0%	0%	0%
30-50	33%	50%	44%
> 50	67%	50%	56%

Leadership team by age groups

	2023	2022	2021
< 30	0%	0%	0%
30-50	11%	33%	25%
> 50	89%	67%	75%

	2023	2022
Workers who are not employees	1,498	1,470

NEW EMPLOYEES AND EMPLOYEE TURNOVER BY GENDER

New employment

	2023	2022	2021
Male	67%	68%	69%
Female	33%	32%	31%
Other	0.03%	0.06%	0.00%
Total	2,949	5,317	6,182

Turnover

	2023	2022	2021
Male	71%	73%	72%
Female	29%	27%	28%
Other	0.00%	0.00%	0.04%
Total	4,010	4,632	5,236

NEW EMPLOYEES AND EMPLOYEE TURNOVER BY AGE GROUPS

New employment

	2023	2022	2021
< 30	43%	46%	45%
30 - 50	50%	49%	50%
> 50	7%	5%	5%
Total	2,949	5,317	6,182

Turnover

	2023	2022	2021
< 30	28%	28%	32%
30 - 50	54%	57%	56%
> 50	17%	15%	13%
Total	4,010	4,632	5,236

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT BY REGION, DEC 31 2022

2023	Permanent	Temporary	Total	%
Austria	280	0	280	1.1%
China	1,051	2	1,053	4.3%
Czech Republic	2,457	123	2,580	10.6%
Estonia	124	0	124	0.5%
Finland	3,109	9	3,118	12.8%
India	4,315	59	4,374	17.9%
Latvia	1,139	6	1,145	4.7%
Lithuania	158	0	158	0.6%
Norway	3,984	82	4,066	16.7%
Other	577	28	605	2.5%
Poland	845	20	865	3.5%
Sweden	3,969	40	4,009	16.5%
Ukraine	1,783	208	1,991	8.2%
Total	23,791	577	24,368	100%

NEW EMPLOYEES BY REGION

	2023	%	2022	%	2021	%
Austria	31	1.1%	74	1.2%	57	0.9%
China	38	1.3%	340	5.5%	485	7.8%
Czech Republic	196	6.6%	599	9.6%	480	7.7%
Estonia	25	0.8%	29	0.5%	15	0.2%
Finland	323	11.0%	488	7.8%	563	9.0%
India	544	18.4%	1,308	21.0%	1,831	29.4%
Latvia	152	5.2%	230	3.7%	272	4.4%
Lithuania	28	0.9%	48	0.8%	44	0.7%
Norway	636	21.6%	697	11.2%	734	11.8%
Poland	180	6.1%	285	4.6%	229	3.7%
Sweden	556	18.9%	678	10.9%	654	10.5%
Ukraine	91	3.1%	349	5.6%	718	11.5%
Other	149	5.1%	192	3.1%	147	2.4%
Total	2,949	11.8%	5,317	20.9%	6,229	24.8%

EMPLOYEE TURNOVER BY REGION

	2023	%	2022	%	2021	%
Austria	38	1%	24	1%	16	0.3%
China	68	2%	97	2%	84	1.6%
Czech Republic	539	13%	366	8%	371	7.0%
Estonia	23	1%	22	0%	146	2.8%
Finland	431	11%	506	11%	523	9.9%
India	690	17%	1,113	24%	1,421	26.8%
Latvia	168	4%	150	3%	207	3.9%
Lithuania	19	0%	25	1%	21	0.4%
Norway	711	18%	832	18%	865	16.3%
Poland	210	5%	213	5%	295	5.6%
Sweden	744	19%	858	19%	805	15.2%
Ukraine	273	7%	319	7%	420	7.9%
Other	96	2%	107	2%	123	2.3%
Total	4,010	16%	4,632	18%	5,297	21%

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GRI CONTENT INDEX

Statement of use: Tietoevry Corporation has reported in accordance with the GRI Standards for the period 1 January, 2023 - 31 December, 2023

GRI 1: Foundation 2021

Applicable GRI Sector Standard (s): Not applicable

GRI Standard/Other source	Disclosure	Location	Responsible area and number	Omission		UNGC	Externally assured
				Requirement (s) omitted	Reason	Explanation		
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organizational details	Facts & figures					
	2-2 Entities included in the organization's sustainability reporting	About our sustainability report					
	2-3 Reporting period, frequency and contact point	About our sustainability report					
	2-4 Restatements of information	About our sustainability report					
	2-5 External assurance	GRI Content index					
	2-6 Activities, value chain and other business relationships	Specialization-based strategy for greater value to all stakeholders, IT market development, Responsible sourcing					
	2-7 Employees	Diversity and inclusion, Diversity and inclusion metrics		iii, non-guaranteed hours employees, and a break-down by gender and region	Not applicable	Tietoevry has only 8 non-guaranteed hours employees and the requirement is therefore not material for the company to report on.	x
	2-8 Workers who are not employees	Diversity and inclusion metrics					
	2-9 Governance structure and composition	Managing sustainability, Tietoevry Corporate Governance Statement 2023, tietoevry.com					
	2-10 Nomination and selection of the highest governance body	Tietoevry Corporate Governance Statement 2023					
	2-11 Chair of the highest governance body	Tietoevry Corporate Governance Statement 2023					
	2-12 Role of the highest governance body in overseeing the management of impacts	Managing sustainability, NFI					

GRI Standard/Other source	Disclosure	Location	Responsible area and number	Omission			UNGC	Externally assured
				Requirement (s) omitted	Reason	Explanation		
General disclosures								
	2-13 Delegation of responsibility for managing impacts	Managing sustainability						
	2-14 Role of the highest governance body in sustainability reporting	Managing sustainability, Stakeholder engagement and materiality analysis, NFI						
	2-15 Conflicts of interest	Tietoevry corporate governance statement 2023						
	2-16 Communication of critical concerns	Managing sustainability, Business ethics and anti-corruption		b. report the total number and nature of critical concerns that were communicated to the highest governance body during the reporting period.	Confidentiality constraints (partly)	Information about whistleblowing escalations is reported in the referred locations. Cybersecurity and privacy concerns/ incidents are confidential information and only reported internally.		
	2-17 Collective knowledge of the highest governance body	Managing sustainability						
	2-18 Evaluation of the performance of the highest governance body	Tietoevry corporate governance statement 2023						
	2-19 Remuneration policies	Tietoevry remuneration report 2023, tietoevry.com						
	2-20 Process to determine remuneration	Tietoevry remuneration report 2023, tietoevry.com						
	2-21 Annual total compensation ratio	Tietoevry remuneration report 2023						
	2-22 Statement on sustainable development strategy	CEO review, Managing sustainability						
	2-23 Policy commitments	Managing sustainability						
	2-24 Embedding policy commitments	Managing sustainability						
	2-25 Processes to remediate negative impacts	Managing sustainability, Business ethics and anti-corruption						
	2-26 Mechanisms for seeking advice and raising concerns	Managing sustainability, Business ethics and anti-corruption						

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GRI Standard/Other source	Disclosure	Location	Responsible area and number	Omission			UNGC	Externally assured
				Requirement (s) omitted	Reason	Explanation		
General disclosures								
	2-27 Compliance with laws and regulations	Business ethics and anti-corruption, Cybersecurity and data privacy, Tietoevry corporate governance statement 2023						
	2-28 Membership associations	Managing sustainability						
	2-29 Approach to stakeholder engagement	Stakeholder engagement and materiality analysis						
	2-30 Collective bargaining agreements	Diversity and inclusion						X
Material topics								
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder engagement and materiality analysis						
	3-2 List of material topics	Stakeholder engagement and materiality analysis						
Anti-corruption								
GRI 3: Material Topics 2021	3-3 Management of material topics	Business ethics and anti-corruption	2: Business ethics and anti-corruption				Principle 10	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business ethics and anti-corruption	2: Business ethics and anti-corruption				Principle 10	X
	205-3 Confirmed incidents of corruption and actions taken	Business ethics and anti-corruption	2: Business ethics and anti-corruption				Principle 10	X
Tietoevry's own disclosure	Completion of Code of Conduct training	Business ethics and anti-corruption	2: Business ethics and anti-corruption				Principle 1–3, 6–10	X
Tietoevry's own disclosure	Whistleblowing notification period	Business ethics and anti-corruption	2: Business ethics and anti-corruption				Principle 10	X

GRI Standard/Other source	Disclosure	Location	Responsible area and number	Omission			UNGC	Externally assured
				Requirement(s) omitted	Reason	Explanation		
Energy								
GRI 3: Material Topics 2021	Management of material topics	Energy usage and greenhouse gas emissions	5: Energy usage and greenhouse gas emissions				Principle 7-9	
	302-1 Energy consumption within the organisation	Energy usage and greenhouse gas emissions, Energy usage and GHG emission metrics	5: Energy usage and greenhouse gas emissions				Principle 7-9	x
GRI 302: Energy 2016	302-3 Energy intensity	Energy usage and greenhouse gas emissions, Energy usage and GHG emission metrics	5: Energy usage and greenhouse gas emissions				Principle 7-9	x
	302-4 Reduction of energy consumption	Energy usage and greenhouse gas emissions, Energy usage and GHG emission metrics	5: Energy usage and greenhouse gas emissions	b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.	Information incomplete	Data center consolidation activities has impacted data completeness for some energy types. It is expected that data completeness will be fulfilled during 2024.	Principle 7-9	x

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GRI Standard/Other source	Disclosure	Location	Responsible area and number	Omission			UNGC	Externally assured
				Requirement (s) omitted	Reason	Explanation		
Emissions								
GRI 3: Material Topics 2021	Management of material topics	Energy usage and greenhouse gas emissions	5: Energy usage and greenhouse gas emissions				Principle 7–9	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	Energy usage and greenhouse gas emissions, Management of material topic, Energy usage and GHG emission metrics	5: Energy usage and greenhouse gas emissions				Principle 7–9	x
	305-2 Energy Indirect (Scope 2) GHG Emissions	Energy usage and greenhouse gas emissions, Management of material topic, Energy usage and GHG emission metrics	5: Energy usage and greenhouse gas emissions				Principle 7–9	x
	305-3 Other indirect (Scope 3) GHG Emissions	Energy usage and greenhouse gas emissions, Management of material topic, Energy usage and GHG emission metrics	5: Energy usage and greenhouse gas emissions				Principle 7–9	x
	305-4 GHG emissions intensity	Energy usage and greenhouse gas emissions, Management of material topic, Energy usage and GHG emission metrics	5: Energy usage and greenhouse gas emissions				Principle 7–9	x
	305-5 Reduction of GHG emissions	Energy usage and greenhouse gas emissions, Management of material topic, Energy usage and GHG emission metrics	5: Energy usage and greenhouse gas emissions				Principle 7–9	x
Tietoevry's own disclosure	Percentages of carbon free electricity in scope 1 and 2	Energy usage and greenhouse gas emissions, Management of material topic, Energy usage and GHG emission metrics	5. Energy usage and greenhouse gas emissions				Principle 7–9	x
Tietoevry's own disclosure	Reduction of total Scope 1 and 2 GHG emissions	Energy usage and greenhouse gas emissions, Management of material topic, Energy usage and GHG emission metrics	5. Energy usage and greenhouse gas emissions				Principle 7–9	x
Tietoevry's own disclosure	Reduction of average carbon footprint from business travel per employee	Energy usage and greenhouse gas emissions, Management of material topic, Energy usage and GHG emission metrics	5. Energy usage and greenhouse gas emissions				Principle 7–9	x

GRI Standard/Other source	Disclosure	Location	Responsible area and number	Omission			UNGC	Externally assured
				Requirement(s) omitted	Reason	Explanation		
Waste								
GRI 3: Material Topics 2021	Management of material topics	Circular economy practices	6. Circular economy practices				Principle 8–9	
	306-1 Waste generation and significant waste-related impacts	Circular economy practices	6. Circular economy practices				Principle 8–9	
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Circular economy practices	6. Circular economy practices				Principle 8–9	
	306-3 Waste generated	Circular economy practices	6. Circular economy practices				Principle 8–9	
Employment								
GRI 3: Material Topics 2021	Management of material topics	Diversity and inclusion	7: Diversity & inclusion				Principle 6	
GRI 401: Employment 2016	401-1 Total number and rates of new employee hires and employee turnover	Diversity and inclusion, Diversity and inclusion metrics	7: Diversity & inclusion				Principle 6	x
Diversity and equal opportunity								
GRI 3: Material Topics 2021	Management of material topics	Diversity and inclusion	7: Diversity & inclusion				Principle 1, 2, 6	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and inclusion, Diversity and inclusion metrics	7: Diversity & inclusion				Principle 1, 2, 6	x
Tietoevry's own disclosure	Ratio female and male employees	Diversity and inclusion, Diversity and inclusion metrics	7: Diversity & inclusion				Principle 6	x
Tietoevry's own disclosure	Senior managers by gender	Diversity and inclusion, Diversity and inclusion metrics	7: Diversity & inclusion				Principle 6	
Non-discrimination								
GRI 3: Material Topics 2021	Management of material topics	Diversity and inclusion	7: Diversity & inclusion				Principle 1, 2, 6	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity and inclusion	7: Diversity & Inclusion				Principle 1, 2, 6	x

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GRI Standard/Other source	Disclosure	Location	Responsible area and number	Omission			UNGC	Externally assured
				Requirement (s) omitted	Reason	Explanation		
Freedom of association and collective bargaining								
GRI 3: Material Topics 2021	Management of material topics	Responsible sourcing, Employee Experience	5. Responsible sourcing 8. Employee Experience				Principle 3	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsible sourcing, Employee Experience	5. Responsible sourcing 8. Employee Experience				Principle 3	
Customer privacy								
GRI 3: Material Topics 2021	Management of material topics	Cybersecurity and privacy	3. Cybersecurity and privacy				Principle 1–2	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data customer privacy and losses of customer data	Cybersecurity and privacy	3. Cybersecurity and privacy				Principle 1–2	x
Tietoevry's own disclosure	Completion of GDPR training	Cybersecurity and privacy	3. Cybersecurity and privacy				Principle 1–2	
Tietoevry's own disclosure	Completion of Security training	Cybersecurity and privacy	3. Cybersecurity and privacy				Principle 1–2	

GRI Standard/Other source	Disclosure	Location	Responsible area and number	Omission			UNGC	Externally assured
				Requirement(s) omitted	Reason	Explanation		
Responsible sourcing								
Tietoevry's own disclosure	New or renewed suppliers agreeing to Tietoevry's Supplier Code of Conduct	Responsible sourcing	4. Responsible sourcing				All principles	x
Tietoevry's own disclosure	Annual review of conflict mineral management with main hardware suppliers	Responsible sourcing	4. Responsible sourcing				All principles	
Tietoevry's own disclosure	Self-assessment on selected strategic suppliers	Responsible sourcing	4. Responsible sourcing				All principles	
Tietoevry's own disclosure	On-site audits for suppliers identified as high risk suppliers	Responsible sourcing	4. Responsible sourcing				All principles	
Tietoevry's own disclosure	Sustainability management system reviews with five top-spend suppliers'	Responsible sourcing	4. Responsible sourcing				All principles	
Tietoevry's own disclosure	Percentage of suppliers with Science Based Targets	Energy usage and greenhouse gas emissions, Tietoevry's Science Based Targets	4. Responsible sourcing				All principles	x
Tietoevry's own disclosure	Percentage of environmentally certified computers procured for internal use	Circular economy practices	4. Responsible sourcing				All principles	
Employee Experience								
Tietoevry's own disclosure	Employee engagement score	Employee Experience	8. Employee Experience					x

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