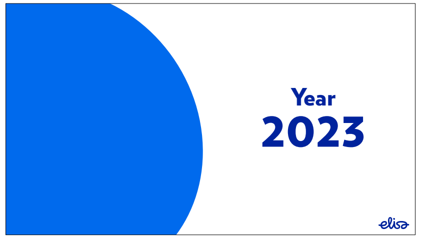
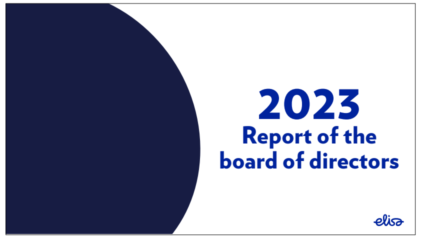
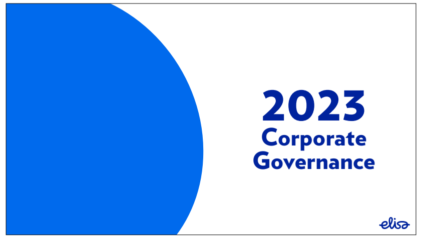
# 2023 Annual Report

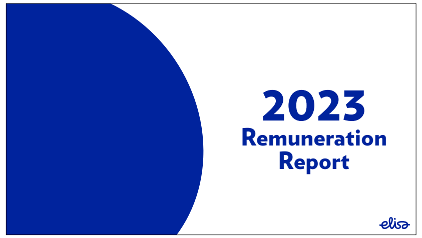
# Annual Report 2023 includes Annual review, Report of the Board of Directors, Financial statements, Governance and Remuneration reports and Sustainability report.








# A sustainable future through digitalisation

## Elisa's year 2023

# Year 2023

# Market leader in Finland, # 2 in Estonia

## We are the global benchmark for generating value in communication and digital services, and a leader in telco network automation.

## 5,700 Elisians • 20 countries over 140 years of experience

**2.2**

2023 revenue, EUR billion

**2.37**

Comparable EPS, EUR

### For domestic markets

- Telecom
- Entertainment
- IT

### For international markets

- Telecom software
- Industrial software
- Energy management

**Sustainability at the core of strategy: Net-Zero 2040 (SBTi)**

# 756

Comparable EBITDA, EURm

# 321

Capital expenditure, EURm

# Our mission is a sustainable future through digitalisation.

## Q1

- Approval from Science Based Targets initiative for climate target of net-zero by 2040
- Government grant for virtual power plant innovation (DES)

## Q2

- EUR 200 million in investments in the coming years, including expansion of fibre-to-the-home (FTTH) connections
- Microsoft Partner of the Year award in recognition of expertise in automation and AI

## Q3

- Elisa Viihde original series available in Ruutu+ service
- Elisa's first green bond boosts sustainable development

## Q4

- Finland's 3G network fully replaced with new technologies
- 5G network covers 92% of the population in Finland and 75% in Estonia

# CEO's review

**Elisa again achieved a record result in 2023 in very challenging circumstances. We systematically implemented our mission – a sustainable future through digitalisation – and our long-term strategy. We expanded our network, developed innovative solutions for our customers and expanded our operations internationally.**

Global uncertainty continued to increase during 2023. As the Russian attack on Ukraine continues, international rhetoric has intensified, and security thinking has changed significantly in Finland and other Western countries. The development of preparedness has also been emphasised in companies' and the authorities' operations. Elisa plays a key role in ensuring Finland's security of supply.

Despite the geopolitical challenges and continued inflation, we were again able to improve our financial performance from the previous year. Elisa's revenue increased by 2.4% year-on-year to reach EUR 2,180million. Our comparable EBITDA improved by 2.8% to EUR 756 million and comparable earnings per share by 1% to EUR 2.37

For nine years now, our strong financial performance has enabled us to pay increasing dividends. Elisa's Board of Directors proposes to the 2023 Annual General Meeting that a dividend of EUR 2.25 per share be paid, which would expand the period of growth to ten consecutive years.

### 5G network covers more than 92% of the population, and optical fibre network is expanding

The deployment of the 5G network progressed during the year, and the coverage of the network increased to more than 92% of the population in Finland and 75% in Estonia. At the same time, we were the first operator to ramp down our 3G network in Finland as planned, in December. We are using the freed-up frequencies to strengthen the geographical coverage of the more modern networks.

The capacity of the 5G network is many times higher than that of its predecessors, allowing the network to serve significantly more data to more users than ever.

In addition, the 5G network brings faster mobile connections to its users and is more energy efficient than its predecessors, 3G and 4G.

As the market leader in Finland, we continued to invest actively in our fibre network. In June, we announced EUR 200 million in investments in the coming years, including the expansion of fibre-to-the-home (FTTH) connections. In December, we strengthened our fibre network by acquiring the electricity company Elenia in the Central Finland, Tampere and North Ostrobothnia regions. In line with our strategy, the implementation of optical fibre connections is based on customer demand, and our customers appreciate Elisa's reliability and uncomplicated pricing model.

### Increased demand for cybersecurity and entertainment services in Finnish business operations

The difficult general economic situation affected the performance of Elisa's Corporate Customers segment. However, Elisa has achieved a strong position as an IT operator in the Finnish market, with a diverse range of comprehensive IT solutions for companies and organisations.

The demand for cybersecurity services in particular grew strongly as a result of geopolitical changes, the Russian attack on Ukraine and the development of AI. The Finnish Defence Forces granted Elisa a national facility security clearance (FSC) for processing class III data. This complements the facility security clearance granted by the Finnish Ministry for Foreign Affairs for processing EU SECRET-level data. These facility security clearances are proof of Elisa's reliability as a partner.

In entertainment services, we began collaborating with the media company Nelonen Media's Ruutu+ service in the autumn. Elisa Viihde original series are now available via Ruutu+. Elisa has released more than 35 award-winning original series, and Elisa Viihde original series have been sold internationally to more than 80 countries.

Elisa's NPS score measuring customer satisfaction remained at a good level, being 28.1 (28.1also in 2022).

## Focus on digital software services in international business operations

Elisa's international digital services business continued to grow. In our strategy for our international business operations, our focuses include our software business operations based on AI and machine learning. We sold a majority share in Elisa Videra, a company offering videoconferencing services, to MVC Mobile VideoCommunication GmbH in Germany.

Both Elisa Polystar, a provider of network automation solutions for telecom operators, and Elisa IndustrIQ, which supplies solutions for the manufacturing industry, gained significant customers during the year and order intake was record-high at the end of the year.

## Our mobile network base station batteries provide reserve power to the electricity grid

Elisa is one of the companies with the highest number of patent applications in Finland. A significant proportion of Elisa's patents are based on our employees' innovations and bold experiments in Elisa's own operations. One example is our Distributed Energy Storage (DES) solution, which is based on smart management of backup power in mobile network base stations.

DES enables Elisa to operate as a virtual power plant, using the battery storage capacity of the base stations in its mobile network to provide reserve power to the electricity market. In addition, the solution offers Elisa and other telecom operators internationally an opportunity to optimise their electricity consumption, improve the resilience of networks and support the transition to renewable energy.

In Finland, DES has already been used as part of the automatic frequency control reserve (aFRR): in December, Fingrid (the national electricity transmission system operator) approved the solution for the frequency containment reserve for disturbances (FCR-D). The reserve market plays a key role in ensuring the reliable and stable operation of electricity systems.

## Towards net-zero in 2040

Sustainability is at the core of Elisa's strategy and an integral part of our mission. We are committed to the principles of the UN Global Compact and the promotion of a safe digital environment, equality and ethical business practices, as well as to continuing our determined work to mitigate climate change.

We promote sustainable development in society by developing sustainable digital solutions and further reducing the negative impacts of our own operations.

Elisa has had science-based climate targets (SBTi) since 2018. In 2023, Elisa was among the first companies in Finland to receive Science Based Targets approval for its more ambitious new climate targets, including a target of zero emissions by 2040.

Our sustainability targets are also linked to financing. We are accelerating sustainable growth through our Sustainable Finance Framework and a EUR 300 million green bond, which we issued in September under Elisa's EUR 1.5 billion Euro Medium Term Note programme.

We are determined to promote gender equality, and we were included in the 2023 Bloomberg Gender-Equality Index, which evaluates the performance of listed companies committed to reporting gender-related data.

Elisa is one of the most sustainable companies in the world. We are ranked among the 100 most sustainable companies in the world in the Corporate Knights Global 100 list. In addition, MSCI, which assesses corporate responsibility globally, has upgraded Elisa's ESG rating to the highest level: AAA, and Elisa is included in Sustainalytics' 2024 ESG Top-Rated Companies List. In the Sustainable Brand Index 2023 study, Elisa was named by consumers as the most sustainable brand in its industry in Finland for the fourth consecutive year. Elisa was also included in the Financial Times lists of Europe's Climate Leaders and Europe's Diversity Leaders.

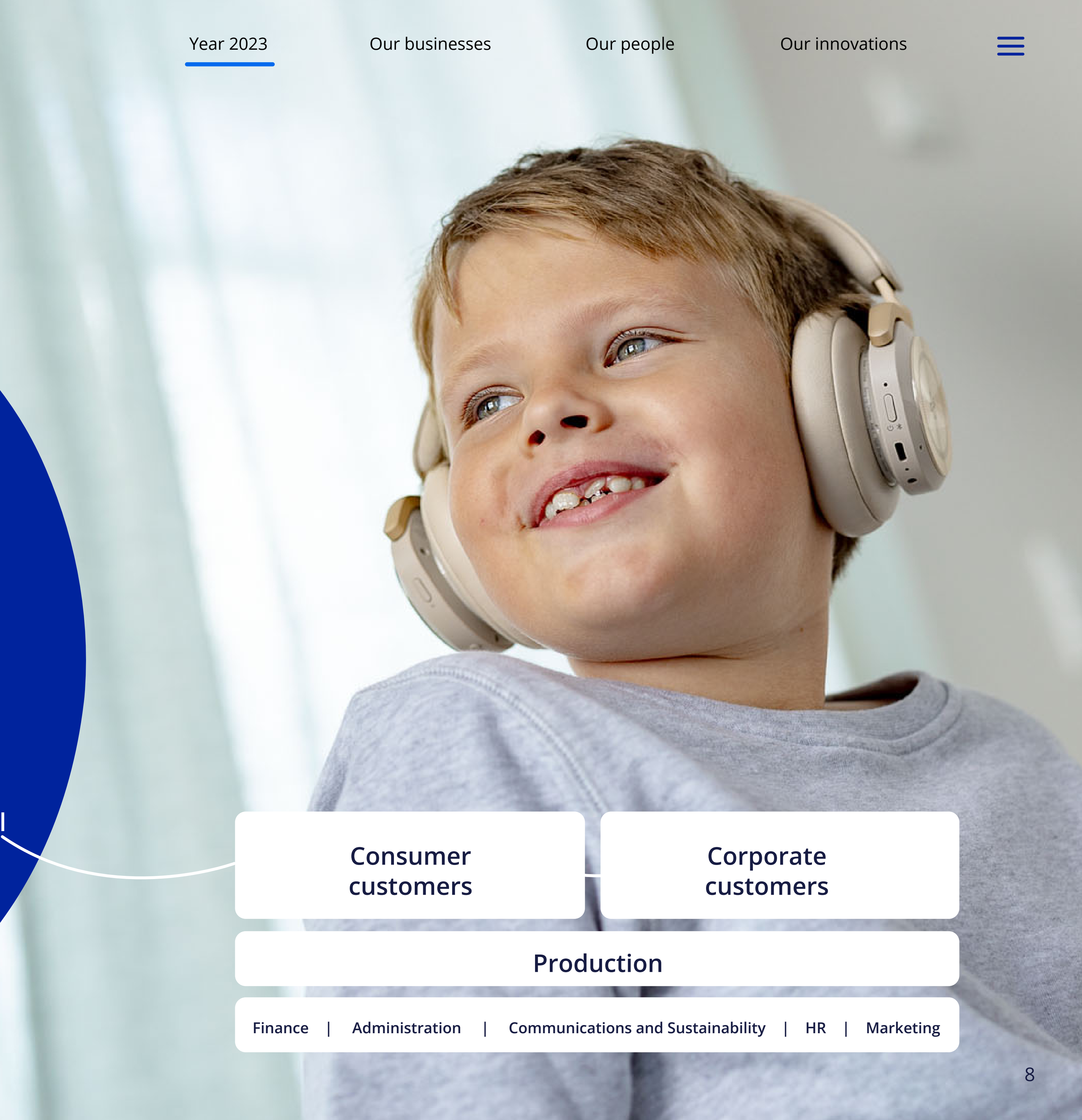
## Thank you for my journey of more than 20 years with Elisa

I would like to thank our customers, shareholders, international partner network and other stakeholders for many fruitful and collaborative years.

We Elisians have skillfully developed our operations and taken the company to new levels. In many ways, Elisa is a pioneer and a role model in its field. Over the years, Elisa has delivered value to all its stakeholders, while developing the capabilities and businesses to continue to deliver significant value. It is with a feeling of contentment and confidence that I hand over the duties of CEO to my successor, Topi Manner. I wish all Elisians and Topi the best of success in the future.

**Veli-Matti Mattila**
CEO

# We provide sustainable solutions for over 2.8 million consumer, corporate and public administration customers in our core markets of Finland and Estonia, as well as in over 100 countries internationally.



Our operating model

| | |
|---|---|
| Consumer customers | Corporate customers |
| Production | |
| Finance \| Administration \| Communications and Sustainability \| HR \| Marketing | |

Our mission

# A sustainable future through digitalisation

### Our vision

We are the global benchmark for generating value in communication and digital services.

Our constant pursuit of excellence and innovation makes us better every day.

### Our strategy

We innovate digital services for customers in our own telecom footprint area and internationally with network ownership-independent services.

We engage people in building excellence.

**Strategic focus areas:**

- Increase mobile and fixed service revenues
- Grow digital service businesses
- Improve efficiency and quality

**Our values:**

Customer orientation – Responsibility – Renewal – Collaboration – Results orientation

**Sustainability focus areas:**


**Environmental**

We enable our customers to become more resource efficient


**Digital**

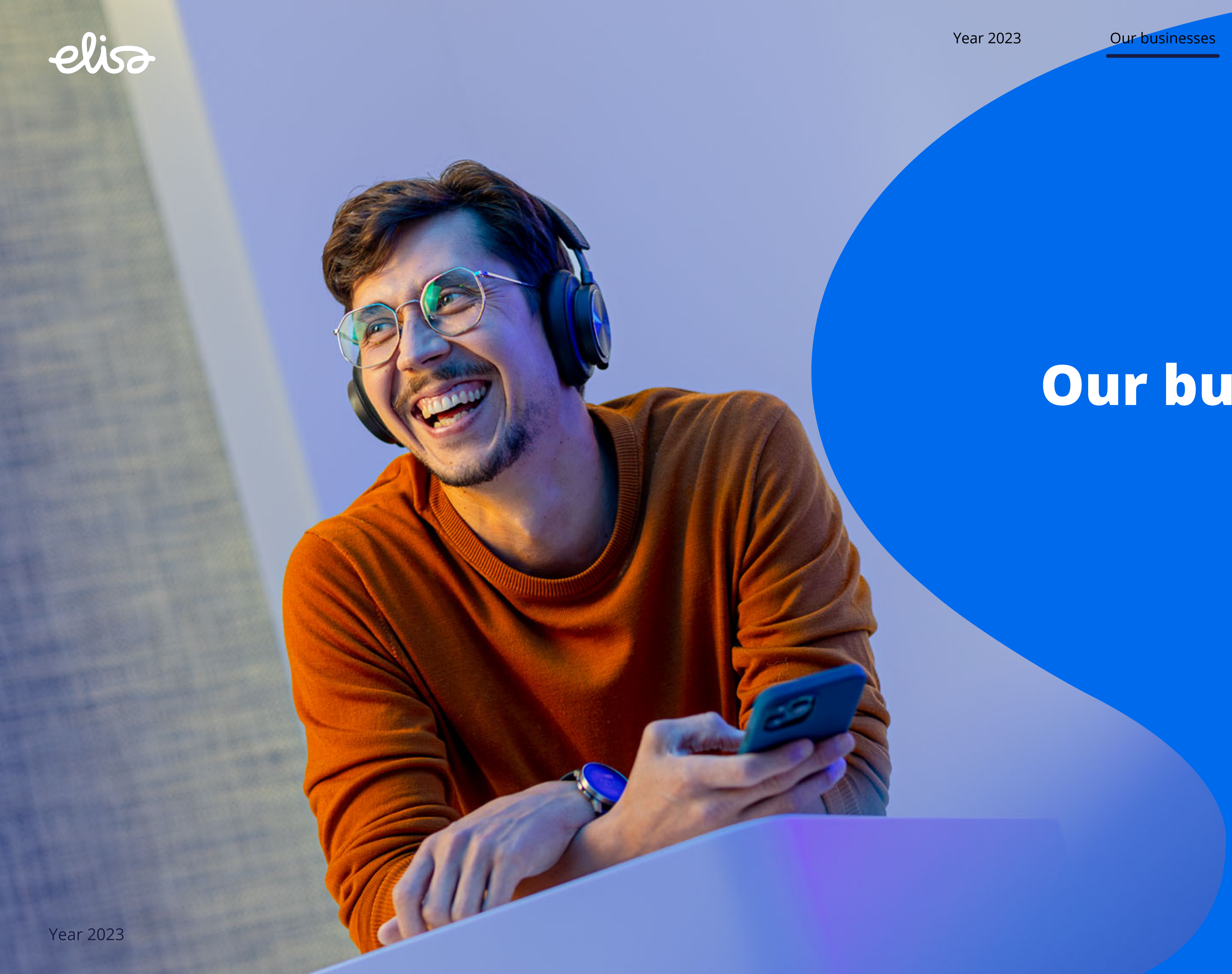
We secure people's privacy in a safe and reliable digital environment


**Social**

We advance a fair and digitally inclusive society


**Economic**

We intensify innovation and drive sustainable value creation



# Our businesses

CONSUMER CUSTOMERS

# We protect our customers' digital lives

The Consumer Customers business segment provides consumers with data communications services, including mobile and fixed network subscriptions and supplementary digital services, cable TV subscriptions, and entertainment services.

We continued to develop our reliable, high-quality services to provide our customers with the best customer experience in the industry. We strengthened our leadership in 5G, significantly expanded our fibre network and introduced new services to the market.

The international success of Elisa Viihde original series continued, and we launched our new Elisa Viihde Plus service. The popularity of our online store continued to grow, and we expanded our selection of devices and recycling options.

During the year, we invested heavily in the construction of 5G and fibre networks to provide our customers with reliable, high-speed connections that enable them to benefit from digitalisation in their daily lives.

By the end of the year, our 5G network covered nearly 280 locations and 92% of the population in Finland. Elisa's ultra-high-speed connections are available to more than one million properties in Finland via optical fibre or cable modem. The coverage of our fibre network grew considerably in 2023.

Customer demand for 5G subscriptions continued to be strong. We introduced the Elisa 5G Premium subscription, which offers speeds in excess of one gigabit per second and also includes a generous amount of data use abroad within the EU/ETA. Our selection of 5G devices also continued to grow. An increasing proportion of the phones sold by Elisa are 5G phones, which provide the best customer experience in our network.

### Secure services and devices

We help our customers secure their digital lives. We have provided up-to-date information about information security risks and have led the way in developing information security into a new citizen skill. During the year, we continued to develop a comprehensive range of information security services based on our customers' wishes.

Today, we offer children's smartwatches to an increasing number of families as part of a safe first experience of using a phone. We have successfully shaped the market by increasing awareness and expanding the selection of smartwatches for children.

We introduced the 'Asiakasetuhinta' customer offers concept, which ensures Elisa's customers get competitive prices for devices. Based on our customers' wishes, we also broadened our range of consumer electronics to include home appliances, and we expanded our selection of audio equipment and television sets in the entertainment category.

We promote the circular economy in many ways. For example, we launched our updated 'Vaihtoetu' trade-in discount to encourage our customers to give their old devices a new life and to increase responsible recycling.

## "We promote the circular economy in many ways.

**It is important to us that our customers of all ages feel that our services are effective and make everyday life easier.**

## Entertainment experiences

We launched eight new Elisa Viihde original series, such as the third seasons of the highly popular shows *Arctic Circle* and *Duke of Sipoo*, as well as the critically acclaimed *Are We Still Us* and *The Invincibles,* which was nominated for best screen manuscrpit at the Gothenburg Film Festival.

Elisa has released more than 40 original series, and its series have been sold to more than 80 countries, making them a major export product.

In 2022, Elisa won the Golden Venla award for Best Drama Series with its original series *Summer of Sorrow* and in 2023, Elisa Viihde original series were shortlisted for Golden Venla awards in 13 categories.

We began collaborating with Nelonen Media's Ruutu+ service. Elisa Viihde original series are now available first to Ruutu+ subscribers, before later becoming available to all Elisa Viihde customers.

We responded to our customers' needs by introducing the Elisa Viihde Plus service, which provides customers with access to an even more extensive selection of content.

We also continued to build a strong domestic e-sports culture. In 2023, for the second time, we held an international e-sports tournament that reached tens of millions of viewers around the world. This brought unprecedented value for Finnish e-sports operations and provided an unforgettable experience for e-sports spectators at Espoo Metro Areena.

## Serving customers in the way that best suits them

We invest in ensuring that our customers receive services from us safely and easily through the channels that they prefer. It is important to us that our customers of all ages feel that our services are effective and make everyday life easier.

We are continuously developing our customer service based on customer feedback. We have further improved the ease and response times of our customer service through competence development, automation and resourcing.

Our voicebot model utilises intelligent automation to enable our customers to reach the right expert more easily. This quicker service is also reflected in increased customer satisfaction.

Elisa's service technicians help our customers with new 5G internet subscriptions. Judging from the feedback they have given us, our customers feel that our service is highly professional and prime quality in terms of ease and caring.

The number of active users of the OmaElisa service continued to grow considerably, and an increasing proportion of our customers are using the OmaElisa app. The growth of our popular online store also continued, and our customers value the personalised benefits and recommendations that we offer them.

## Consumer customers segment key figures 2023

| | | |
|---|---|---|
| Revenue, EURm | 1,335 | Change 2.6% |
| Comparable EBITDA, EURm | 521 | Change 5.1% |
| Comparable EBIT, EURm | 344 | Change 6.5% |
| Investments, EURm | 213 | Change 11.8% |
| Personnel | 2,976 | Change 1.26% |

CORPORATE CUSTOMERS

# The benefits of digitalisation for society as a whole

The macroeconomic environment deteriorated in 2023. The business environment was characterised by high interest rates, inflation and uncertainty about the future.

Elisa is involved in helping Finnish companies and organisations benefit from the new opportunities offered by technology and in ensuring their digital security.

Elisa's Corporate Customers business segment provides companies and public-sector organisations with digital services based on AI and automation, bringing the benefits of digitalisation to society as a whole.

The development of AI progressed in leaps and bounds in 2023, and generative AI services became available to all. The use of AI can make work more efficient, improve quality and leave more room for creativity.

Together with its customers and partners, Elisa has been involved in innovating applications and building a safe, efficient and effective infrastructure for using these services.

### Our Connectivity business secures connections

Under the Connectivity business, our Subscriptions and Services unit offers all companies and organisations reliable, high-speed connections and secure access to the internet and corporate information systems.

At the Finnish energy company Fortum, for example, modern tools are seen as part of good HR management. During the year, Fortum digitalised its working environment to meet the requirements of modern work. The leap into the 5G era in voice subscriptions supported Fortum's strong digital working culture, where work is always done in the optimal location at the optimal time.

For many companies, location-independent work has become integrated into day-to-day operations. Each interaction with customers is taken into account, and it is important to ensure that customers are served effectively and appropriately, making good connections and tools a requirement for effective work. This is reflected in the continuous increase in the popularity of high-speed 5G connections and additional services.

With our network and information security services, we secure the continuity of companies operating in Finland and internationally with quick response and recovery. Advanced automation guarantees transparency for the customer in terms of the network and services, as well as a smooth everyday life.

**The development of AI progressed in leaps and bounds in 2023.**

Elisa and Wärtsilä, a Finnish company supplying innovative solutions for the energy and marine industries, have collaborated on cyber security for many years. During this partnership, cyber threats have increased sharply as a result of geopolitical changes, the war in Ukraine and the development of AI. Thanks to close and effective collaboration, Wärtsilä has been able to prepare for the elevated threat level. Expertise and collaboration have deepened the trust between Elisa and Wärtsila, which is vital for cyber security. The improved ability to detect and react to threats and recover from them has strengthened Wärtsilä's ability to ensure the continuity of its business operations, even in exceptional circumstances.

**Elisa's Security Operations Center monitors and observes Wärtsilä's cybersecurity snapshot down to the digital identities, devices and emails of the company's end users.**

## Our IT services support hybrid working

As a leader in IT, our strengths include expertise in information security, AI and automation. In recognition of this expertise, Microsoft selected Elisa as its Partner of the Year in Finland in 2023. Microsoft Partner of the Year is awarded annually for extensive experience in using Microsoft technologies to meet customers' needs.

Our IT services create value for our customers by ensuring the availability of applications in a digital work environment. With AI and automation, we ensure an excellent customer experience and high efficiency.

Aktia Bank Plc and Elisa signed an agreement on a long-term partnership under which Elisa will be responsible for part of Aktia's IT and network management services. The partnership secures the availability and capabilities of critical IT personnel for Aktia and ensures that Aktia's services will continue to meet the requirements of stricter regulations and risk management.

In the CX business, we help companies and corporations improve their customer experience by developing seamless, automated customer processes.

The demand for ChatGPT-type solutions has also increased the popularity of Elisa's speech recognition service. Elisa has developed speech recognition specialising in the Finnish language, where speech can be converted into data for AI to enhance the efficiency of customer service. Several companies have already adopted the service. Our model has enabled companies to improve their Customer Effort Score (CES) by up to five points and achieve cost savings of as much as EUR 50,000–100,000 per month.

## Corporate customers segment key figures 2023

| Key figure | 2023 | Change |
|---|---|---|
| Revenue, EURm | 846 | Change 2.1% |
| Comparable EBITDA, EURm | 235 | Change -1.2% |
| Comparable EBIT, EURm | 143 | Change -3.6% |
| Investments, EURm | 108 | Change 9.4% |
| Personnel | 2,690 | Change 0.22% |

INTERNATIONAL DIGITAL SERVICES

# A year of moderate growth

Elisa's international digital services continued to grow, despite the challenging market conditions. The general economic downturn affected our customers' investment activities, and consequently, 2023 was a year of moderate growth for our business operations.

We develop and sell software that enables process automation based on AI and machine learning for industrial manufacturers and telecom operators internationally.

The market is expected to grow steadily in the medium and long term as customers seek tangible economic benefits from automating their operations, such as better quality, less waste, lower operating costs and quicker time to market.

With more than ten years of experience in automating our own operations through advanced analytics, AI and machine learning, we have unique opportunities to seize this growth opportunity. In addition, we can continue to accelerate our growth through acquisitions that will enable us to further expand our offering and attract customers from new markets.

## Elisa Polystar

Elisa Polystar is a strategic partner for telecom operators internationally. It is leading the transformation to fully autonomous networks that enable operators to deliver an outstanding end-user experience and excellent operational performance.

Elisa Polystar offers state-of-the-art technology that combines AI and machine learning with automation to accelerate customers' journeys towards self-driving networks.

The offering consists of software solutions for automated operations and backup, network monitoring and analytics, and data integration and transfer.

In 2023, Elisa Polystar won several significant customer projects for its new solutions from customers such as Telia in Sweden, Bouygues in France and Hi4G in Hungary.

During the year, Elisa Polystar updated its organisational model. As a result, Elisa Automate (Elisa's original internal startup) and Polystar, Frinx and Cardinality (acquired in recent years) now form one organisation that helps its customers on their automation journey.

## Elisa IndustrIQ

Elisa IndustrIQ provides its more than 1,200 manufacturing customers in more than 50 countries with software solutions based on AI and machine learning that enable factory employees to make critical decisions more quickly and easily.

Customers gain flexibility and reliability throughout the supply chain, as well as tools for quicker incident management. This improves their competitiveness, sustainable development and financial performance.

Elisa IndustrIQ focuses on selected industries in the high-tech, chemical, food and beverage, and machinery and equipment sectors, providing its customers with solutions for key supply chain, production, quality and EHS processes.

## Award-winning Elisa Distributed Energy Storage solution

Our latest international business project – Distributed Energy Storage (DES) – is a distributed virtual power plant that relies on base station batteries in the mobile network. DES offers telecom network operators, including Elisa, the opportunity to play an important role in the solution for the green transition to renewable energy sources in electricity generation.

During 2023, DES was deployed in Elisa's own network in Finland, and it won the Distributed Energy Storage Project of the Year award in London.

More about our DES solution

# Our people

# Equally together

In 2023, Elisians built team-specific ways of working in the various combinations of remote and onsite work that were adopted following the Covid pandemic. Management based on values and trust as well as flexible working methods continue to lay the foundation for Elisians' work.

Our main indicator, the Elisa Engagement Score, measures employee satisfaction and how likely employees are to recommend us to others. The score at the end of the year was 77 (77 in 2022). Elisians particularly appreciate the good supervisory work and operations aligned with the company's values.

According to the results of our personnel survey, the workplace community allows people to express views that deviate from the mainstream, and employees feel that everyone is treated equally. In these respects, the results of our personnel survey were among the top 10% in the global reference group.

### Values-based management and a coaching approach to supervisory work

Our employees continue to greatly appreciate the basic supervisory work practices at Elisa, such as having regular one-to-one coaching discussions with their supervisor. Coaching discussions and an open review of the results of the personnel survey within teams have been found to increase employee satisfaction.

Communication at all levels supports supervisory work. We continued the CEO's monthly online reviews in Finnish and English. They have been highly popular and interactive, with more than 1,000 Elisians from different parts of the world participating in each review.

Regular briefing and discussion sessions from unit managers enable more in-depth discussions on the topics most relevant to each target group.

We supported wellbeing at work within units through targeted projects utilising means such as coaching in holistic wellbeing and the availability of coaches as part of the workplace community. These measures received good feedback, and their impact was reflected in the results of the personnel survey.

In 2023, the previously rising trend in sick leave turned into a decrease. This was supported by coaching for supervisors about the early support process. Low-threshold mental health services included in occupational healthcare have reached their target groups, and their use increased throughout the year.

Read more about Elisians' innovations and our diversity and equality measures in our sustainability report

**According to our study, the vast majority of Elisians are satisfied with their way of working in terms of remote and onsite work. It is also important to be able to influence the pace and schedule of work.**

## Reflecting on Elisa's values

Values are at the core of Elisa's operations. Our values crystallise the choices and ways of working that have been the foundation of Elisa's corporate culture since 2014. It is essential that these choices are reflected in our work in practice.

According to our employees, our operations are largely aligned with our values. However, Elisa has changed over the years. We have reworded our mission and have expanded internationally through new business operations, so it was time for us to reflect on our values. In late autumn, we started a process of online discussions among Elisians on how we perceive our current values and whether they need to be updated.

We discussed whether "learning" would be a better word than "renewal" to describe our values in action. Our employees also felt that more attention should be paid to innovation, sustainable development and diversity. However, they wanted to maintain our strong customer focus, sustainability and collaboration.

The values discussion process continues, and we will be able to confirm Elisa's updated values in the course of 2024.

## Learning and education

Learning at work and through experimentation is part of our day-to-day work at Elisa. It is supported by professional development in communities that Elisa has established in the fields of cyber security, cloud services and design, for example.

In 2023, we updated learning paths in several areas of competence. Learning paths are collections of studies, courses and learning materials that enable Elisians to increase their competence in a specific field.

We started collaboration with Microsoft's Skills for Jobs project, which enables current and future Elisians to update their digital competence in different fields. Elisa participates in the project by producing content in our strong areas of expertise for all students, among other ways.

## Recruitment

Elisa's recruitment focused on IT professionals around the world and on customer service and sales professionals in Finland and Estonia, in particular.

In 2023, we increased the amount of targeted communication about work at the customer interface, which was reflected in the number and quality of applicants and the results of our employer image survey for customer service professionals.

In addition, interest in Elisa as an employer increased among IT students and professionals. In Estonia, we invested in satisfaction among new professionals working at the customer interface in particular by developing competence-based recruitment and induction.

Read more about Elisa as an employer and about diversity at Elisa.

# 1,323
New recruitments

# 87/100
Manager support: I can get the support I need from my manager

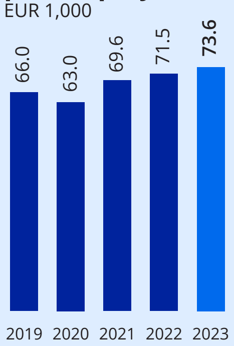
# 8,013
Learning and objectives discussions

# 314
Elisian KATA coaches

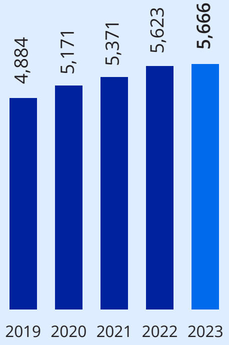
## Elisians internationally

Countries with over 10 employees

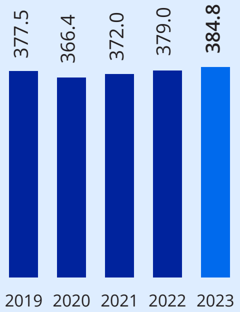
### Personnel costs per employee*
EUR 1,000



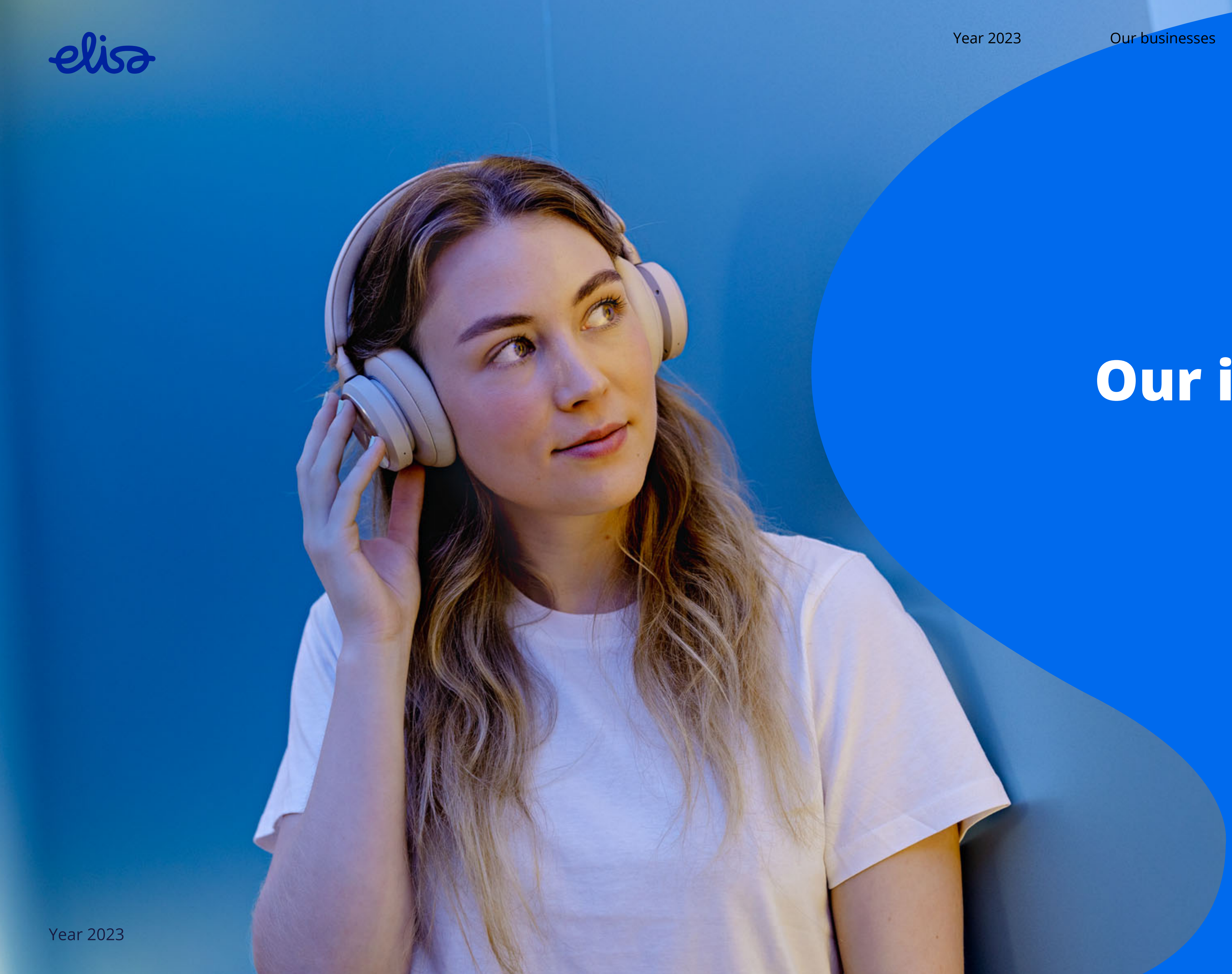

### Number of employees*
persons




### Revenue per employee*
EUR 1,000




*Based on FTE 31 December 2023



# Our innovations

OUR INNOVATIONS: ELISA DISTRIBUTED ENERGY STORAGE (DES)

# Reserve power for the grid from mobile network batteries through AI

**Elisa's 140-year history is built on innovation and on challenging conventions. Elisa is one of the companies with the highest number of patent applications in Finland, and a significant part of Elisa's patents are based on employees' innovations and bold experiments in Elisa's own operations.**

One of our innovations projects resulted in the DES solution, which has attracted international interest. DES transforms the battery reserve of Elisa's thousands of mobile network base stations into a virtual power plant that relies on the AI capabilities created in the development of the management of Elisa's own telecommunications networks. Driven by artificial intelligence, DES charges and discharges batteries based on the current electricity price, among other factors.

The combined capacity of the batteries is so large that, in addition to the needs of Elisa's own mobile network, DES now serves as part of the balancing reserve for the Finnish electricity system. The Finnish electricity grid needs balancing support when the actual production of e.g. wind power does not correspond to forecasts, or when the balance of electricity production and consumption is suddenly disrupted, for example.

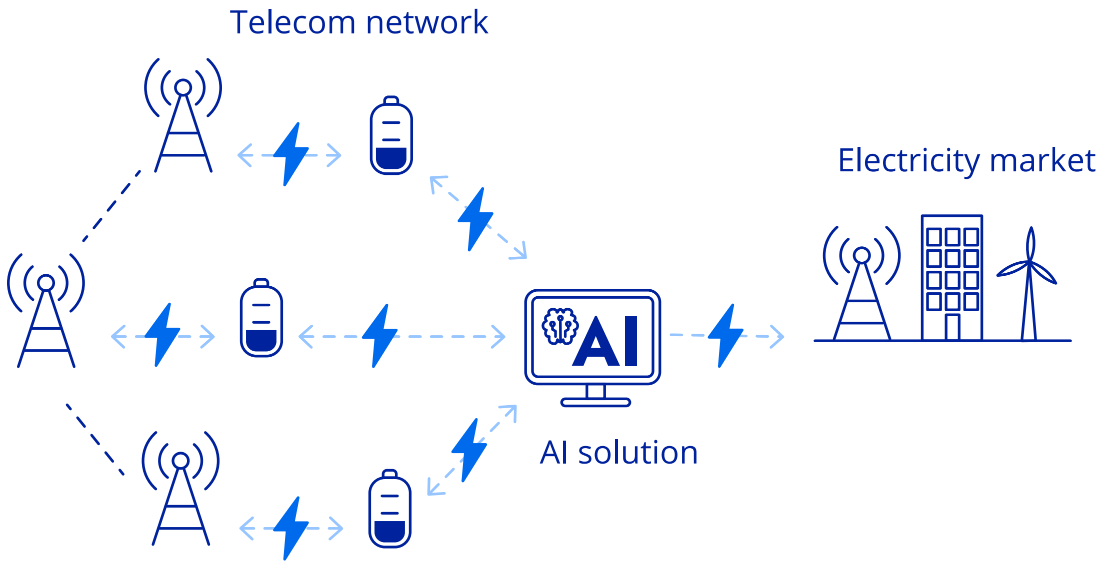
The DES battery reserve contributes to the green transition, enabling the grid to continue functioning smoothly as the share of renewable energy sources increases.

Telecom operators are the world's second-largest user of batteries. Elisa is also offering its DES solution to telecom operators in other countries, allowing them to improve the reliability of their mobile networks and contribute to accelerating the green transition in electricity generation by investing in a distributed battery reserve and its balancing use in the electricity market.

In 2023, Elisa received a EUR 3.9 million government grant to develop this innovation. DES also won the Distributed Energy Storage Project of the Year award in London. In Finland, DES is already serving as part of the automatic frequency control reserve (aFRR), as Fingrid (the national electricity transmission system operator) approved the solution for the frequency containment reserve for disturbances (FCR-D) in December.

Read more

elisa | DISTRIBUTED ENERGY STORAGE




**Elisa Distributed Energy Storage (DES)**

- Europe's largest distributed virtual power plant (more than 2,000 base stations, 150 MWh)
- Uses AI to optimise efficient use of base station batteries
- Supports the operations of Elisa's mobile network
- Serves as part of electricity grid balancing
- Enhances sustainability of telecom and electricity networks
- Contributes to green transition ($CO_2$ emissions reduced by up to 22,000 tonnes per year)
- International export product

Funded by the European Union NextGenerationEU

# Report of the board of directors

# Report of the board of directors 2023

### Market situation

The competitive environment has been active, especially in 4G subscriptions. The usage of mobile services has continued to evolve favourably. Brisk demand for 5G services has also continued due to the wider range of 5G devices and better network coverage. The current geopolitical situation has also increased the demand for cybersecurity services. Competition in the fixed broadband market has continued to be intense, and the number and usage of traditional fixed network subscriptions is declining.

The markets for IT services have continued to develop favourably. Demand for other digital services is also growing well. The prevailing uncertainty in the general economy and increased interest rates have caused some companies to delay investment decisions and project implementation.

### Revenue, earnings and financial position

Revenue increased by 2 per cent on the previous year, mainly due to growth in mobile, fixed, domestic and international digital services, as well as equipment sales. Decreases in usage and subscriptions of traditional fixed telecom services, and in interconnection and roaming revenue, affected revenue negatively. In addition, the divestment of Videra and the end of our video streaming cooperation negatively affected domestic and other digital services revenue.

Comparable EBITDA increased by 3 per cent and comparable EBIT by 3 per cent, mainly due to revenue growth and efficiency improvement measures.

Net financial income and expenses increased to EUR –23 million (–13), mainly due to increased interest rates. Income taxes in the income statement were EUR –84 million (–83). Comparable net profit was EUR 379 million (374), and earnings per share were EUR 2.34 (2.33). Comparable earnings per share was EUR 2.37 (2.34).

### Financial position

Comparable cash flow after investments increased by 12 per cent to EUR 361 million. The positive change in net working capital, higher EBITDA and lower taxes affected cash flow positively, while higher capital expenditure and financial expenses had negative effects.

The financial position and liquidity are strong. Cash and undrawn committed credit lines totalled EUR 363 million at the end of the reporting period.

### Changes in corporate structure

In November, the businesses of Elisa's subsidiary Elisa Videra and the German company MVC Mobile VideoCommunication GmbH (owned by KLP Vermögensverwaltungs GmbH) combined to form MVC Videra. KLP has a 62.5% holding and Elisa 37.5% of MVC Videra. After the transaction, MVC Videra is consolidated to Elisa Group as an associated company rather than a subsidiary.

### Revenue, earnings and financial position

| EUR million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Revenue | **2,180** | 2,130 | 1,998 |
| EBITDA | **756** | 733 | 697 |
| EBITDA-% | **34.7%** | 34.4% | 34.9% |
| Comparable EBITDA [1] | **756** | 735 | 706 |
| Comparable EBITDA-% | **34.7%** | 34.5% | 35.3% |
| EBIT | **482** | 470 | 431 |
| EBIT-% | **22.1%** | 22.1% | 21.6% |
| Comparable EBIT [1] [2] | **487** | 472 | 439 |
| Comparable EBIT-% | **22.4%** | 22.2% | 22.0% |
| Return on equity, % | **29.4%** | 30.4% | 28.8% |

[1] 2022 excluding EUR 2 million in restructuring costs and 2021 excluding EUR 8 million in restructuring costs.
[2] 2023 excluding EUR 6 million impairment.

### Financial position

| EUR million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Net debt | **1,304** | 1,276 | 1,219 |
| Net debt / EBITDA [1] | **1.7** | 1.7 | 1.7 |
| Gearing ratio, % | **100.8%** | 101.9% | 101.2% |
| Equity ratio, % | **41.6%** | 40.6% | 39.9% |
| Cash flow [2] | **347** | 300 | 322 |
| Comparable cash flow [3] | **361** | 321 | 338 |

[1] (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA)
[2] Cash flow after financing activities.
[3] 2023 excluding EUR 14 million in share and business investments and sales. 2022 excluding EUR 21 million in share investments and 2021 excluding EUR 16 million in share investments.

### Consumer Customers business

| EUR million | 2023 | 2022 | 2021 [1] |
|---|---|---|---|
| Revenue | **1,335** | 1,301 | 1,243 |
| EBITDA | **521** | 496 | 476 |
| EBITDA-% | **39.0%** | 38.1% | 38.3% |
| Comparable EBITDA [2] | **521** | 497 | 479 |
| Comparable EBITDA-% | **39.0%** | 38.2% | 38.6% |
| EBIT | **342** | 322 | 302 |
| EBIT-% | **25.6%** | 24.7% | 24.3% |
| Comparable EBIT [2][3] | **344** | 323 | 305 |
| Comparable EBIT-% | **25.8%** | 24.9% | 24.6% |
| CAPEX | **213** | 191 | 169 |

[1] Allocation rules between segments were specified in 2022, and the comparable figures in 2021 have been updated
[2] 2022 excluding EUR 1.6 million and 2021 excluding EUR 3.2 million in restructuring costs.
[3] 2023 excluding EUR 3 million impairment.

Revenue increased by 3 per cent. Mobile and fixed services as well as equipment sales affected revenue positively, while it was negatively affected by interconnection and roaming revenue, as well as the decrease in traditional fixed telecom services. In addition, ending the video streaming service cooperation negatively affected domestic digital services revenue. Comparable EBITDA increased by 5 per cent, mainly due to revenue growth and efficiency improvement measures.

### Corporate Customers business

| EUR million | 2023 | 2022 | 2021 [1] |
|---|---|---|---|
| Revenue | **846** | 829 | 755 |
| EBITDA | **235** | 238 | 221 |
| EBITDA-% | **27.8%** | 28.7% | 29.3% |
| Comparable EBITDA [2] | **235** | 238 | 227 |
| Comparable EBITDA-% | **27.8%** | 28.7% | 30.0% |
| EBIT | **140** | 148 | 129 |
| EBIT-% | **16.6%** | 17.9% | 17.1% |
| Comparable EBIT [2][3] | **143** | 148 | 134 |
| Comparable EBIT-% | **16.9%** | 17.9% | 17.7% |
| CAPEX | **108** | 99 | 96 |

[1] Allocation rules between segments were specified in 2022, and the comparable figures in 2021 have been updated.
[2] 2022 excluding EUR 0.4 million and 2021 excluding EUR 5.2 million in restructuring costs.
[3] 2023 excluding EUR 3 million impairment.

Revenue increased by 2 per cent. Revenue was positively affected by growth in mobile, fixed and international digital services, whereas the decrease in equipment sales and traditional fixed services had a negative effect. In addition, the divestment of Videra negatively affected domestic and other digital services revenue. Comparable EBITDA decreased by 1 per cent.

## Investments

| EUR million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Capital expenditure [1], of which | **321** | 290 | 265 |
| Consumer Customers | **213** | 191 | 169 |
| Corporate Customers | **108** | 99 | 96 |
| Shares | **12** | 25 | 28 |
| Total investments | **333** | 314 | 293 |
| Shares and business acquisitions | **25** | 25 | 28 |
| Licences | **2** | 9 | |
| Leases | **23** | 26 | 18 |
| Capital expenditure excluding leases, licences, shares and business acquisitions | **284** | 255 | 247 |
| Capital expenditure as % of revenue | **13** | 12 | 12 |

[1] 2023 includes EUR 2 million for the 26 GHz frequency licence investment in Estonia. 2022 includes EUR 7 million for the 3.5 GHz and EUR 2 million for the 700 MHz frequency licence investments in Estonia.

The main capital expenditures were related to the capacity and coverage increases in 5G networks, fibre and other networks, as well as IT investments.

## Personnel

In 2023, the average number of personnel at Elisa was 5,721 (5,523), and employee expenses totalled EUR 417 million (395). Personnel by segment at the end of the year:

| | 31 Dec 23 | 31 Dec 22 | 31 Dec 21 |
|---|---|---|---|
| Consumer Customers | **2,976** | 2,939 | 2,845 |
| Corporate Customers | **2,690** | 2,684 | 2,526 |
| Total | **5,666** | 5,623 | 5,371 |

## Sustainability

| Key ESG indicators | 4Q23 | 4Q22 | 4Q21 |
|---|---|---|---|
| Energy efficiency of mobile network in Finland | | | |
| Change in energy consumption per GB from Q4 2021 level | **–26.1%** | –5.7% | - |
| Population coverage of >100 Mbps connections | **92.5%** | 86.2% | 72.6% |
| Proportion of female supervisors | **28.7%** | 29.6% | 27.4% |
| Patent portfolio development | | | |
| Number of active patents portfolio [1] | **396** | 337 | 265 |
| Number of new first applications | **11** | 12 | 19 |

[1] Number of active patent applications and patents.

All key figures will be published in assured annual sustainability report, during week 11.

## Financing arrangements and ratings

| EUR million | Maximum amount | In use on 31 Dec 2023 |
|---|---|---|
| Committed credit limits | 300 | 0 |
| Credit facility (not committed) | 100 | 0 |
| Commercial paper programme (not committed) | 350 | 35 |
| EMTN programme (not committed) | 1,500 | 1,148 |

| Long term credit ratings | Rating | Outlook |
|---|---|---|
| Credit rating agency | | |
| Moody's Investor Services | Baa2 | Stable |
| S&P Global Ratings | BBB+ | Stable |

On 5 September 2023, Elisa paid back a EUR 150 million loan to the European Investment Bank.

On 27 September 2023, Elisa issued a fixed-rate, EUR 300 million Green Eurobond that matures on 29 January 2029 under the EUR 1.5 billion EMTN Programme. The coupon is 4.00 per cent, and the issue price was 99.585.

On 26 September 2023, Elisa announced that it has purchased its bonds due in March 2024 in the amount of EUR 51.97 million. The purchase price was 98.57 per cent. After the purchase, EUR 248.03 million of the March 2024 bonds remain outstanding.

In September, Elisa agreed with six banks to extend its EUR 130 million Sustainability-linked Revolving Credit Facility for two years, from September 2026 to September 2028.

## Share

Share trading volumes are based on trades made on the Nasdaq Helsinki and alternative marketplaces. Closing prices are based on the Nasdaq Helsinki.

| Trading of shares | 2023 | 2022 | 2021 |
|---|---|---|---|
| Nasdaq Helsinki, millions | **64.4** | 71.2 | 81.6 |
| Other marketplaces, millions [1] | **186.0** | 208.4 | 167.3 |
| Total volume, millions | **250.4** | 279.6 | 248.9 |
| Value, EUR million | **12,259.4** | 14,575.8 | 12,698.1 |
| % of shares | **149.6%** | 167.1% | 148.7% |

| Shares and market values | 2023 | 2022 | 2021 |
|---|---|---|---|
| Total number of shares | **167,335,073** | 167,335,073 | 167,335,073 |
| Treasury shares | **6,946,654** | 7,075,378 | 7,147,772 |
| Outstanding shares | **160,388,419** | 160,259,695 | 160,187,301 |
| Closing price, EUR | **41.87** | 49.46 | 54.12 |
| Market capitalisation, EUR million | **7,006** | 8,276 | 9,056 |
| Treasury shares, % | **4.15%** | 4.23% | 4.27% |

| Number of shares | Total | Treasury | Outstanding |
|---|---|---|---|
| Shares on 31 Dec 2022 | **167,335,073** | **7,075,378** | **160,259,695** |
| Performance Share Plan, 1 Feb 2023 [2] | | **–127,539** | **127,539** |
| Restricted Share Plan, 5 Sep 2023 [3] | | **–1,185** | **1,185** |
| Shares on 31 Dec 2023 | **167,335,073** | **6,946,654** | **160,388,419** |

1) Other marketplaces: based on Bloomberg.
2) Stock exchange release, 1 February 2023.
3) Stock exchange release, 5 September 2023.

On 1 February 2023, Elisa transferred 127,539 treasury shares to people included in the Performance Share Plan for the period 2020–2022.

In February, Elisa's Board of Directors decided on the vesting period for the Restricted Share Plan 2019. The vesting period, with a total allocation of 2,500 shares, ends on 31 December 2023. The purpose of using the plan is to engage a number of key persons in Elisa businesses.

On 5 September 2023, Elisa transferred 1,185 treasury shares to persons belonging to the Restricted Share Plan 2019 for the commitment period 2020–2022.

In November, Elisa's Board of Directors decided on the vesting period for the Restricted Share Plan 2023. The vesting period, with a total allocation of 334 shares, ends on 31 December 2024. The purpose of using the plan is to engage a number of key persons in Elisa businesses.

## Research and development

The majority of service development occurs during the ordinary course of business and is accounted for as a normal operating expense. Elisa invested EUR 24 million (21) in research and development, of which EUR 9 million (8) was capitalised in 2023, corresponding to 1.1 per cent (1.0) of revenue.

## Annual General Meeting 2023

On 5 April 2023, Elisa's Annual General Meeting decided to pay a dividend of EUR 2.15 per share based on the adopted financial statements for 31 December 2022. The dividend was paid on 19 April 2023 to shareholders registered in the company's shareholder register maintained by Euroclear Finland Ltd on 11 April 2023.

The Annual General Meeting adopted the financial statements for 2022. The members of the Board of Directors and the CEO were discharged from liability for 2022. The Annual General Meeting approved the Remuneration Report of the Company's governing bodies for 2022.

The number of the members of the Board of Directors was confirmed at eight (8). Mr Maher Chebbo, Mr Kim Ignatius, Ms Katariina Kravi, Ms Pia Kåll, Mr Topi Manner (until 18 August 2023, see stock exchange release, 18 August 2023), Ms Eva-Lotta Sjöstedt, Mr Anssi Vanjoki and Mr Antti Vasara were re-elected as members of the Board of Directors. Mr Anssi Vanjoki was appointed as the Chair and Ms Katariina Kravi as the Deputy Chair of the Board of Directors.

The AGM decided that the amount of annual remuneration for the members of the Board of Directors be changed. The Chair is paid annual remuneration of EUR 140,000, the Deputy Chair and the Chairs of the Committees EUR 86,000, and other Board members EUR 71,000. Additionally, Board members receive a fee of EUR 800 per meeting of the Board or of a committee. However, if a Board member is physically present at a Board or committee meeting that is held in a country other than his/her permanent home country, the meeting fee is EUR 1,600.

KPMG Oy Ab, Authorised Public Accountants Organisation, was re-elected as the company's auditor. Toni Aaltonen, APA, is the responsible auditor.

The AGM decided to amend the first paragraph of Section 11 of the Articles of Association to allow the General Meeting to also be held remotely without a meeting venue if the Board of Directors so decides, and to change the title of Section 11 to "General Meeting of Shareholders" so that the title covers not only the Annual General Meetings, but also any Extraordinary General Meetings.

**Composition of the Committees of the Elisa's Board of Directors**

The Board of Directors held its organising meeting and appointed Ms Katariina Kravi (chair), Mr Maher Chebbo, and Ms Eva-Lotta Sjöstedt to the People and Compensation Committee. Mr Kim Ignatius (chair), Ms Pia Kåll, Mr Topi Manner (until 18 August 2023, see stock exchange release, 18 August 2023) and Mr Antti Vasara were appointed to the Audit Committee.

## Authorisations of the Board of Directors

The Annual General Meeting decided to authorise the Board of Directors to resolve to repurchase or accept as pledge the company's own shares. The repurchase may be directed. The number of shares under this authorisation is 5 million shares at maximum. The authorisation is valid for 18 months from the date of the resolution of the General Meeting.

The Annual General Meeting decided to authorise the Board of Directors to pass a resolution concerning a share issue, the right of assignment of treasury shares and/or the granting of special rights referred to in the Companies Act. The authorisation entitles the Board of Directors to execute the issue as directed. The number of shares under this authorisation is 15 million shares at maximum. The authorisation is valid for 18 months from the date of the resolution of the General Meeting.

## Elisa Shareholders' Nomination Board

The biggest shareholders were determined according to Elisa's shareholder register on 31 August 2023, and they named the members of the Nomination Board. The composition of the Nomination Board since September 2023 has been as follows:

- Mr Pauli Anttila, Investment Director, nominated by Solidium Oy
- Mr Jouko Pölönen, President and CEO, nominated by Ilmarinen Mutual Pension Insurance Company
- Mr Markus Aho, Chief Investment Officer, nominated by Varma Mutual Pension Insurance Company
- Mr Jukka Vähäpesola, Head of Equities (Ms Hanna Hiidenpalo, until 15 September 2023), nominated by Elo Mutual Pension Insurance Company
- Mr Anssi Vanjoki, Chair of the Board of Elisa

The Nomination Board elected from amongst its members Mr Pauli Anttila as the chair.

Elisa's Shareholders' Nomination Board was established in 2012 by the Annual General Meeting. Its duty is to prepare proposals for the election and remuneration of the members of the Board of Directors of Elisa for the Annual General Meeting.

## Significant legal and regulatory issues

In January 2023, Elisa initiated arbitration proceedings against Azerion related to Azerion's payment obligation for the shares in Sulake. Azerion fulfilled the payment obligation, and the arbitration has ended.

In February, Elisa returned the 3.5 GHz frequency licence in the province of the Åland Islands.

The Estonian auction for the 26 GHz spectrum ended on 10 May 2023. Elisa met its target and won 800 MHz of spectrum. The new spectrum is being used to build Elisa's 5G network.

Transposition in Finland of EU Directive 2022/2523 ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union was completed in the fourth quarter of 2023, and the legislation came into force on 1 January 2024. This change is estimated to have an impact on taxes in the income statement for Elisa's Estonian business from 2024 onwards.

In July 2020, Tucana Telecom NV initiated legal proceedings against Polystar OSIX AB in the Business Court of Brussels with a claim of infringement of exclusivity included in a distribution agreement and also of wrongful termination of the distribution agreement. This case has been resolved pursuant to a judgement issued on 10 June 2022. The claim against Polystar OSIX AB was dismissed in full by the court, and consequently, no compensation or damages were awarded to the claimant. The decision has been appealed.

After a tax audit on foreign dividend withholding tax, Elisa received a decision in April 2021 according to which it is required to pay a total of EUR 1.7 million in allegedly wrongly levied withholding taxes relating to the years 2015 and 2016. The Board of Adjustment of the Finnish Tax Authority issued a ruling in November 2022 in favour of Elisa. The ruling has been appealed by the Tax Recipients' Legal Services Unit and is therefore not final and binding.

In November 2021, the Estonian parliament adopted amendments to the Electronic Communications Act aimed at supplementing national security requirements. The amendments entered into force on 1 February 2022. Based on these amendments, on 25 November 2022, Estonia's Consumer Protection and Technical Regulatory Authority issued a decision stating that usage of Huawei hardware and software in 5G mobile networks in Estonia is permitted only until 31 December 2025, and until 31 December 2029 in earlier generation (2G–4G) networks and fixed networks. On 1 December 2022, Elisa appealed the decision to the Estonian Administrative Court, as Elisa is being forced to replace the Huawei hardware and software currently used in its networks, but there is no compensation system in place.

## Substantial risks and uncertainties associated with Elisa's operations

Risk management is part of Elisa's internal control system. It aims to ensure that risks affecting the company's business are identified, influenced and monitored. The company classifies risks into strategic, operational, hazard and financial risks.

### *Strategic and operational risks:*

The telecommunications industry is intensely competitive in Elisa's main market areas, which may have an impact on Elisa's business. The telecommunications industry is subject to heavy regulation. Elisa and its businesses are monitored and regulated by several public authorities. This regulation also affects the price level of some products and services offered by Elisa and may also require investments that have long payback times.

Elisa processes different kinds of data, including personal and traffic data. Therefore, the applicable data protection legislation, especially the General Data Protection Regulation, has a significant impact on Elisa and its businesses.

The rapid developments in telecommunications technology may have a significant impact on Elisa's business.

Changes in governmental relationships, including in the security environment, may increase the risk of restrictions being imposed on equipment from particular network providers that is also used in Elisa's network. This could have financial or operational impacts on Elisa's business.

Elisa's main market is Finland, where the number of mobile phones per inhabitant is among the highest in the world and growth in subscriptions is therefore limited. Furthermore, the volume of phone traffic on the fixed network has been decreasing during recent years. These factors may limit opportunities for growth. New international business expansion and possible future acquisitions abroad may increase risks.

Elisa is liable to pay direct and indirect taxes and withholding taxes in the countries in which it operates. Changes in tax authorities' interpretation of tax laws may lead to an increase in the tax burden for corporations.

Uncertainty relating to regional conflicts globally, especially Russia's war in Ukraine is continuing. This is expected to affect the general economic environment, e.g. inflation and energy prices. Challenges in global supply chains may also result in uncertainties in volumes and prices. Disturbances related to running infrastructure may also occur, for example due to cyber incidents. Elisa's business in Russia was not essential, and Elisa withdrew from the Russian market in 2022.

*Hazard risks:*

The company's core operations are covered by insurance against damage and interruptions caused by accidents and disasters. Accident risks also include litigation and claims.

*Financial risks:*

In order to manage the interest rate risk, the Group's loans and investments are diversified into fixed- and variable-rate instruments. Interest rate swaps can be used to manage the interest rate risk.

As most of Elisa's operations and cash flow are denominated in euros, the exchange rate risk is minor. Currency derivatives can be used to manage the currency risk.

The objective of liquidity risk management is to ensure the Group's financing in all circumstances. Elisa has cash reserves, committed credit facilities and a sustainable cash flow to cover its foreseeable financing needs.

Liquid assets are invested within confirmed limits in financially solid banks, domestic companies and institutions. Credit risk concentrations in accounts receivable are minor, as the customer base is broad.

Russia's war in Ukraine and higher inflation have increased volatility in the financial markets. This might have an effect on Elisa's ability to raise funds and may increase financing costs.

A detailed description of financial risk management can be found in Note 7.1 to the consolidated financial statements.

## Corporate responsibility and non-financial reporting

Elisa's business operations and digitalisation solutions contribute to sustainable development and to environmentally friendly actions among its customers and society. Elisa is committed to the principles of the UN Global Compact in its business operations, and we have identified our most important contribution to the UN Sustainable Development Goals. Elisa has a strong track record of and a long-term commitment to environmental work. As a result, Elisa has had science-based climate targets since 2018. In 2023, Elisa was among the first companies in Finland to receive approval from the Science Based Targets initiative (SBTi) for new, even more ambitious targets for 2030, as well as a target of zero emissions (including supply chain emissions) by 2040, which is in line with the SBTi Net-Zero Standard.

Sustainability has been part of Elisa's strategy for over ten years. Our sustainability targets for 2022–2024 emphasise the importance of Elisa's handprint, focusing on the availability of fast connections, cyber security, increasing its carbon handprint, the energy efficiency of the mobile network, innovations and promoting equality.

Elisa will publish its 11th assured sustainability report as part of the Annual Report 2023. The sustainability report has been prepared primarily with reference to the Global Reporting Initiative (GRI) Standards, and for climate, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Elisa also reports non-financial information with reference to selected indicators of the Sustainability Accounting Standards Boards (SASB) framework. The report meets the requirements for non-financial reporting, including information regarding the EU Taxonomy Regulation. The report includes medium-term targets, performance and metrics.

In recognising Elisa's material corporate responsibility, the most important financial, social and environmental effects and risks of the company, as well as other significant trends affecting the industry, have been taken into account. The management's description of corporate responsibility is available on the company website elisa.com/sustainability.

## Corporate Governance Statement and Remuneration Report

Elisa's Corporate Governance Statement and Remuneration Report for 2023 will be published no later than 16 February 2024.

## Events after the reporting period

On 16 January 2024, Elisa and Moontalk Oy signed an agreement under which Elisa takes a majority holding of Moontalk, which is a SaaS software supplier focused on mobile voice communication management for enterprises.

On 25 January 2024, the Shareholders' Nomination Board announced its proposal to Elisa's Board for the notice of the Annual General Meeting of 12 April 2024 that the number of members of the Board of Directors would be eight (8). The Nomination Board proposes that Mr Maher Chebbo, Mr Kim Ignatius, Ms Katariina Kravi, Ms Pia Kåll, Ms Eva-Lotta Sjöstedt, Mr Anssi Vanjoki and Mr Antti Vasara be re-elected. The Nomination Board further proposes that Mr Christoph Vitzthum be elected as a new member of the Board. The Nomination Board proposes that Mr Anssi Vanjoki be elected as the Chair of the Board and Ms Katariina Kravi be elected as the Vice Chair. All the proposed Board Members are considered to be independent of the company and of its significant shareholders.

## Outlook and guidance for 2024

Development in the general economy includes many uncertainties. Growth in the Finnish economy is expected to stall. In particular, uncertainty relating to Russia's war in Ukraine and other conflicts, such as in inflation and energy prices, is continuing. Challenges in global supply chains may also result in uncertainties in volumes and prices. Competition in the Finnish telecommunications market remains keen.

Full-year revenue is estimated to be same level or slightly higher than in 2023. Mobile data and digital services are expected to increase revenue. Full-year comparable EBITDA is anticipated to be same level or slightly higher than in 2023. Capital expenditure is expected to be 12–13 per cent of revenue.

Elisa is continuing to develop to improve productivity, for example by increasing automation and data analytics in different processes, such as customer interaction, network operations and delivery. Additionally, Elisa's continuous quality improvement measures will increase customer satisfaction and efficiency, and reduce costs.

Elisa's transformation into a provider of exciting, new and relevant services for its customers is continuing. Long-term revenue growth and profitability improvement will derive from growth in the mobile data market, as well as domestic and international digital services.

## Profit distribution

According to Elisa's distribution policy, profit distribution is 80–100 per cent of the previous fiscal year's net profit. In addition, any excess capital can be distributed to shareholders. When making the distribution proposal or decision, the Board of Directors will take into consideration the company's financial position, future financial needs and financial targets. Profit distribution includes dividend payment, capital repayment and purchase of treasury shares.

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 2.25 per share. The dividend payment corresponds to 95 per cent of the comparable net profit for the financial period. The Board of Directors also proposes that the dividend be paid in two instalments.

It is proposed that the first instalment of the dividend, EUR 1.13, be paid to shareholders who are listed in the company's shareholder register maintained by Euroclear Finland Ltd on 16 April 2024. The Board of Directors proposes that the payment date be 23 April 2024. It is also proposed that the second instalment of the dividend, EUR 1.12, be paid to shareholders who are listed in the company's shareholder register on 23 October 2024, and the Board of Directors proposes that the payment date be 30 October 2024. The profit for the period will be added to retained earnings.

The Board of Directors also decided to propose to the General Meeting that the Board of Directors be authorised to acquire a maximum of five million treasury shares, which corresponds to 3 per cent of the total number of shares.

BOARD OF DIRECTORS

# Shares and shareholders

## 1. Share capital and shares

The company's paid-up share capital registered in the Trade Register stood at EUR 83,033,008 at the end of the financial year.

At the end of the financial year, the number of Elisa Corporation shares was 167,335,073, all within one share series.

## 2. Authorisations of the Board of Directors

On 5 April 2023, the Annual General Meeting authorised the Board of Directors to decide on a new share issue, transfer of treasury shares owned by the company and/or granting of special rights referred to in chapter 10, section 1 of the Finnish Companies Act subject to the following: The authorisation allows the Board of Directors to issue a maximum of 15,000,000 shares in one or several issues. The share issue and shares granted by virtue of special rights are included in the aforementioned maximum number. The maximum number is approximately 9 per cent of the entire stock. The share issue can be free or for consideration and can also be directed to the Company itself. The authorisation entitles the Board to make a directed issue. The authorisation may be used for making acquisitions or implementing other arrangements related to the Company's business, to finance investments, to improve the Company's financial structure, or for other purposes decided by the Board of Directors. The Board of Directors has the right to decide on all other matters related to the share issue. The authorisation is valid for 18 months, and it annuls the authorisation given by the Annual General Meeting to the Board of Directors on 6 April 2022.

On 5 April 2023, the Annual General Meeting also authorised the Board of Directors to decide on the acquisition of treasury shares subject to the following: The Board of Directors may decide to acquire or pledge on non-restricted equity a maximum of 5,000,000 treasury shares. The acquisition may take place as one or several blocks of shares. The consideration payable for the shares shall not be more than the ultimate market price. In purchasing the Company's own shares derivative, share lending and other contracts customary in the capital market may be concluded pursuant to law and the applicable legal provisions. The authorisation entitles the Board of Directors to pass a resolution to purchase the shares by making an exception to the purchase of shares relative to the current holdings of the shareholders. The treasury shares may be used for making acquisitions or implementing other arrangements related to the Company's business, to finance investments, to improve the Company's financial structure, to be used as part of the incentive compensation plan, or for the purpose of otherwise assigning or cancelling the shares. The Board of Directors has the right to decide on all other matters related to the acquisition of the Company's own shares. The authorisation is valid for 18 months, and it annuls the respective authorisation given by the Annual General Meeting to the Board of Directors on 6 April 2022.

## 3. Treasury shares, share issues and cancellations

At the beginning of the financial period, Elisa held 7,075,378 treasury shares.

The Annual General Meeting held on 5 April 2023 authorised the Board of Directors to acquire and assign treasury shares. The authorisation applies to a maximum of 5,000,000 treasury shares. On the basis of the authorisation, Elisa has not acquired any treasury shares.

A total of 128,724 treasury shares were disposed during the financial year.

At the end of the financial period, Elisa held 6,946,654 treasury shares.

The treasury shares held by Elisa Corporation do not have any substantial impact on the distribution of holdings and votes in the Company. They represent 4.15 per cent of all shares and votes.

## 4. Management interests

The aggregate number of shares held by Elisa's Board of Directors and the CEO on 31 December 2023 was 309,729 shares and votes, which represented 0.19 per cent of all shares and votes.

## 5. Share performance

The Elisa share closed at EUR 41.87 on 31 December 2023. The highest quotation of the year was EUR 56.52 and the lowest EUR 39.41. The average price was EUR 48.86. Information is based on share trades made on the Nasdaq Helsinki stock exchange.

At the end of the financial year, the market capitalisation of Elisa's total number of shares was EUR 7,006.3 million.

## 6. Quotation and trading

The Elisa share is quoted on the Main List of the Nasdaq Helsinki with the ticker ELISA. The aggregate volume of trading on the Nasdaq Helsinki between 1 January and 31 December 2023 was 64,380,415 shares for an aggregate price of EUR 3,145.9 million. The trading volume represented 38.5 per cent of the total number of shares at the end of the financial year.

## 7. Distribution of holding by shareholder groups at 31 December 2023

| | | Number of shares | Proportion of all shares, % |
|---|---|---|---|
| 1 | Private companies | 3,619,139 | 2.16 |
| 2 | Financial and insurance institutions | 5,111,885 | 3.05 |
| 3 | Public corporations | 30,263,678 | 18.09 |
| 4 | Non-profit organisations | 5,108,080 | 3.05 |
| 5 | Households | 36,682,383 | 21.92 |
| 6 | Foreign | 174,336 | 0.10 |
| 7 | Nominee registered | 79,428,918 | 47.47 |
| | Elisa Group, treasury shares | 6,946,654 | 4.15 |
| | | 167,335,073 | 100.00 |

## 8. Distribution of holding by amount at 31 December 2023

| Size of holding | Number of shareholders | % | Number of shares | % |
|---|---|---|---|---|
| 1–100 | 52,854 | 29,42 | 2,280,269 | 1.36 |
| 101–1,000 | 122,386 | 68,14 | 27,274,000 | 16.30 |
| 1,001–10,000 | 4,142 | 2,31 | 9,753,560 | 5.83 |
| 10,001–100,000 | 197 | 0,11 | 5,050,677 | 3.02 |
| 100,001–1,000,000 | 28 | 0,01 | 7,333,101 | 4.38 |
| 1,000,001– | 7 | 0,00 | 29,137,477 | 17.41 |
| Nominee registered | | | 79,428,918 | 47.47 |
| | 179,614 | 100.00 | | |
| Elisa Common Clearing account [1] | | | 130,417 | 0.08 |
| Elisa Corporation, treasury shares | | | 6,946,654 | 4.15 |
| Issued amount | | | 167,335,073 | 100.00 |

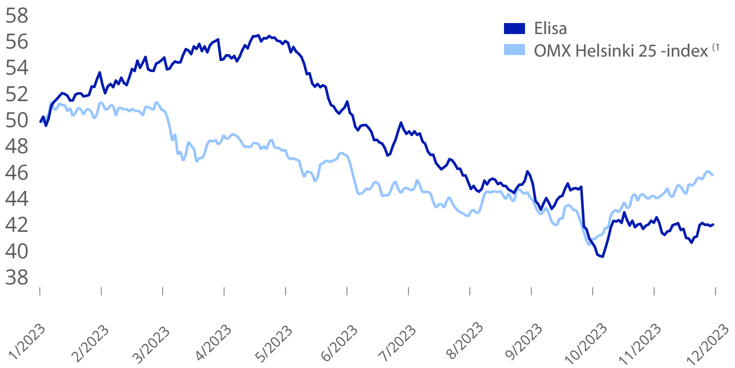
[1] Shares in the Common Clearing account include shares that had not been transferred to the share owners' book-entry accounts at the time of, or after, entering the shares into the Finnish book-entry system.

## 9. Largest shareholders at 31 December 2023

| | Name | Number of shares | % |
|---|---|---|---|
| 1 | Solidium Oy | 16,802,800 | 10.04 |
| 2 | Ilmarinen Mutual Pension Insurance Company | 4,413,011 | 2.64 |
| 3 | Varma Mutual Pension Insurance Company | 3,096,976 | 1.85 |
| 4 | Elo Mutual Pension Insurance Company | 2,550,000 | 1.52 |
| 5 | The State Pension Fund | 1,150,000 | 0.69 |
| 6 | City of Helsinki | 1,124,690 | 0.67 |
| 7 | Danske Invest Finnish Equity Fund | 695,000 | 0.42 |
| 8 | Nordea Pro Finland Fund | 555,722 | 0.33 |
| 9 | Sijoitusrahasto Seligson & Co | 450,808 | 0.27 |
| 10 | Föreningen Konstsamfundet R.f. | 450,000 | 0.27 |
| 11 | Stiftelsen För Åbo Akademi Sr | 403,223 | 0.24 |
| 12 | OP Finland Fund | 397,578 | 0.24 |
| 13 | OP Finland Index | 381,891 | 0.23 |
| 14 | Samfundet Folkhälsan i Svenska Finland R F | 363,766 | 0.22 |
| 15 | Keva | 358,379 | 0.21 |
| 16 | Juselius Sigrid Stiftelse | 330,700 | 0.20 |
| 17 | OP-Henkivakuutus Oy | 326,315 | 0.20 |
| 18 | City of Vantaa | 258,738 | 0.15 |
| 19 | Evli Finland Select Fund | 237,500 | 0.14 |
| 20 | S-Bank Fenno Equity Fund | 229,316 | 0.14 |
| | | 34,576,413 | 20.66 |
| | Elisa Corporation, treasury shares | 6,946,654 | 4.15 |
| | Nominee registered [1] | 79,428,918 | 47.47 |
| | Shareholders not specified above | 46,383,088 | 27.72 |
| | | 167,335,073 | 100.00 |

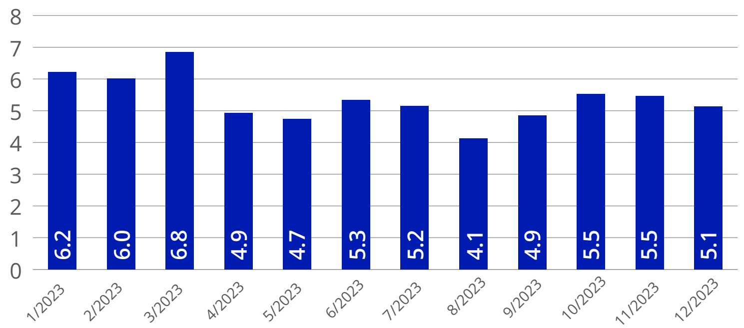
[1] On 27 February 2017, BlackRock, Inc issued a notice in accordance with chapter 9, section 5 of the Finnish Securities Market Act, that the direct share ownership of Elisa Corporation shares owned by BlackRock, Inc. was 8,533,440 and by its funds 1,232,577 shares, totaling 9,766,017 shares, which was 5.84 per cent of Elisa Corporation's entire stock.

**10. Daily price development**
Closing price in EUR




[1] Rebalanced to Elisa share.

**11. Trading volume**
Shares per month (million)




Share trading volumes are based on the trades made on Nasdaq Helsinki. Elisa share is also traded in alternative marketplaces.

# Board's proposal for distribution of profits

According to the balance sheet of 31 December 2023, the parent company's equity is EUR 521,175,363.51, of which distributable funds account for EUR 410,814,562.35.

The parent company's profit for the period from 1 January to 31 December 2023 was EUR 284,341,392.56.

The Board of Directors proposes to the General Meeting of Shareholders that the distributable funds be used as follows:

- a dividend of EUR 2.25 per share shall be paid for a total of EUR 360,873,942.75
- no dividend shall be paid on shares in the parent company's possession
- EUR 49,940,619.60 shall be retained in shareholders' equity.

# Investor information

### Outlook and guidance for 2024

Development in the general economy includes many uncertainties. Growth in the Finnish economy is expected to stall. In particular, uncertainty relating to Russia's war in Ukraine and other conflicts, such as in inflation and energy prices, is continuing. Challenges in global supply chains may also result in uncertainties in volumes and prices. Competition in the Finnish telecommunications market remains keen.

Full-year revenue is estimated to be same level or slightly higher than in 2023. Mobile data and digital services are expected to increase revenue. Full-year comparable EBITDA is anticipated to be same level or slightly higher than in 2023. Capital expenditure is expected to be 12–13 per cent of revenue.

Elisa is continuing to develop to improve productivity, for example by increasing automation and data analytics in different processes, such as customer interaction, network operations and delivery. Additionally, Elisa's continuous quality improvement measures will increase customer satisfaction and efficiency, and reduce costs.

Elisa's transformation into a provider of exciting, new and relevant services for its customers is continuing. Long-term revenue growth and profitability improvement will derive from growth in the mobile data market, as well as domestic and international digital services.

### Distribution policy

According to Elisa's distribution policy, profit distribution is 80–100 per cent of the previous fiscal year's net profit. In addition, any excess capital can be distributed to shareholders. Profit distribution includes dividend payment, capital repayment and purchase of treasury shares.

**Guidance for 2024**

| | |
|---|---|
| Revenue | Same level or slightly higher than in 2023 |
| Comparable EBITDA | Same level or slightly higher than in 2023 |
| CAPEX/sales | 12–13% |

**Medium-term financial targets by the end of 2025**

| | |
|---|---|
| Revenue growth 2022–2025 | CAGR > 2% |
| EBITDA growth 2022–2025 | CAGR > 3% |
| CAPEX/sales | ≤ 12% |
| Net debt/EBITDA | 1.5–2× |
| Equity ratio | > 35% |

### Annual General Meeting

Elisa's Annual General Meeting will be held on 12 April 2024. More information on the AGM invitation and at elisa.com/agm

### Payment of dividends

The Board of Directors proposes to the AGM that the profit for the financial period 2023 be added to accrued earnings and that a dividend of EUR 2.25 per share be paid based on the adopted balance sheet of 31December 2023. The Board of Directors also proposes that the dividend be paid in two instalments.

It is proposed that the first instalment of the dividend, EUR 1.13, be paid to shareholders who are listed in the company's shareholder register maintained by Euroclear Finland Ltd on 16 April 2024. The Board of Directors proposes that the payment date be 23 April 2024. The second instalment of the dividend, EUR 1.12, is be paid to shareholders who are listed in the company's shareholder register on 23 October 2024, and the  payment date be 30 October 2024.

### Listing of Elisa's shares

Elisa's shares are listed on the Nasdaq Helsinki and are registered in the Finnish book-entry register maintained by Euroclear Finland Ltd.

### Publication dates 2024

- 19 April 2024: Interim Report Q1 2024
- 16 July 2024: Half-Year Financial Report 2024
- 18 October 2024: Interim Report Q3 2024

### Financial information

Elisa publishes its financial reports and bulletins in Finnish and English. The Annual Report, Half-year report, Interim Reports, information on the AGM, stock exchange releases and other information for investors, as well as the Disclosure Policy, are available on the Elisa website at elisa.com/investors.

### Elisa's investor relation contacts

Vesa Sahivirta
IR Director
vesa.sahivirta@elisa.fi
tel. +358 50 520 5555

Kati Norppa
IR Communications Manager
kati.norppa@elisa.fi
tel. +358 50 308 9773

elisa.com/investors
investor.relations@elisa.fi

# Financial statements

# Contents

# Consolidated income statement

| EUR million | Note | 2023 | 2022 |
|---|---|---|---|
| **Revenue** | 2.1, 2.3 | **2,180.5** | 2,129.5 |
| Other operating income | 2.4 | **9.8** | 6.9 |
| Materials and services | 2.5 | **–817.9** | –820.8 |
| Employee expenses | 4.1 | **–417.1** | –394.8 |
| Other operating expenses | 2.5 | **–199.3** | –187.5 |
| **EBITDA** | 2.1 | **755.9** | 733.3 |
| Depreciation, amortisation and impairment | 2.1, 5.1 | **–274.1** | –263.4 |
| **EBIT** | 2.1 | **481.8** | 469.8 |
| Financial income | 7.4.1 | **8.7** | 5.6 |
| Financial expenses | 7.4.1 | **–32.0** | –18.7 |
| Share of associated companies' profit | | **–0.4** | –0.7 |
| **Profit before tax** | | **458.1** | 456.0 |
| Income taxes | 8.1.1 | **–84.1** | –83.2 |
| **Profit for the period** | | **374.0** | 372.8 |
| **Attributable to** | | | |
| Equity holders of the parent | | **375.2** | 374.1 |
| Non-controlling interests | | **–1.2** | –1.3 |
| | | **374.0** | 372.8 |
| **Earnings per share (EUR)** | | | |
| Basic | 2.6 | **2.34** | 2.33 |
| Diluted | 2.6 | **2.34** | 2.33 |
| **Average number of outstanding shares (1,000 shares)** | | | |
| Basic | 2.6 | **160,376** | 160,253 |
| Diluted | 2.6 | **160,530** | 160,410 |

# Consolidated statement of comprehensive income

| EUR million | Note | 2023 | 2022 |
|---|---|---|---|
| **Profit for the period** | | **374.0** | 372.8 |
| **Other comprehensive income, net of tax** | | | |
| **Items which may be reclassified subsequently to profit or loss** | | | |
| Cash flow hedge | | **–0.1** | –0.3 |
| Translation differences | | **–0.4** | –4.7 |
| **Items which are not reclassified subsequently to profit or loss** | | | |
| Remeasurements of the net defined benefit liability | 4.3 | **1.2** | 0.4 |
| **Other comprehensive income** | | **0.8** | –4.7 |
| **Total comprehensive income** | | **374.8** | 368.0 |
| **Total comprehensive income attributable to** | | | |
| Equity holders of the parent | | **376.0** | 369.3 |
| Non-controlling interests | | **–1.2** | –1.3 |

# Consolidated statement of financial position

| EUR million | Note | 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5.2 | **815.6** | 766.7 |
| Right-of-use assets | 5.3 | **87.3** | 90.4 |
| Goodwill | 5.4.1 | **1,157.2** | 1,157.3 |
| Intangible assets | 5.4 | **210.3** | 210.5 |
| Investments in associated companies | 8.3.2 | **20.8** | 9.9 |
| Other financial assets | 7.4.3 | **16.0** | 16.2 |
| Trade and other receivables | 6.2.2, 7.4.4 | **107.9** | 116.8 |
| Deferred tax assets | 8.1.2 | **11.5** | 13.1 |
| | | **2,426.6** | 2,380.9 |
| **Current assets** | | | |
| Inventories | 6.1 | **77.1** | 95.5 |
| Trade and other receivables | 6.2.1 | **555.8** | 537.1 |
| Tax receivables | | **1.7** | 1.8 |
| Cash and cash equivalents | | **63.4** | 85.4 |
| | | **698.0** | 719.9 |
| **TOTAL ASSETS** | 2.1 | **3,124.6** | 3,100.8 |

| EUR million | Note | 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Share capital | | **83.0** | 83.0 |
| Treasury shares | | **–121.7** | –124.5 |
| Reserve for invested non-restricted equity | | **90.9** | 90.9 |
| Other reserves | | **375.1** | 373.9 |
| Retained earnings | | **863.1** | 823.2 |
| **Equity attributable to equity holders of the parent** | 4.2, 7.3 | **1,290.4** | 1,246.5 |
| **Non-controlling interests** | | **3.3** | 5.4 |
| **TOTAL EQUITY** | | **1,293.7** | 1,251.9 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | 8.1.2 | **24.7** | 25.7 |
| Interest-bearing financial liabilities | 7.4.2, 7.4.3 | **996.7** | 995.0 |
| Interest-bearing lease liabilities | 7.4.2, 7.4.3 | **67.8** | 70.8 |
| Trade payables and other liabilities | 6.3, 7.4.3, 7.4.4 | **19.4** | 30.3 |
| Pension obligations | 4.3 | **9.3** | 12.9 |
| Provisions | 8.2 | **3.4** | 2.9 |
| | | **1,121.3** | 1,137.7 |
| **Current liabilities** | | | |
| Interest-bearing financial liabilities | 7.4.2, 7.4.3 | **282.2** | 275.0 |
| Interest-bearing lease liabilities | 7.4.2, 7.4.3 | **20.8** | 20.4 |
| Trade and other payables | 6.3, 7.4.3 | **402.5** | 412.9 |
| Tax liabilities | | **3.1** | 2.1 |
| Provisions | 8.2 | **1.0** | 0.8 |
| | | **709.6** | 711.2 |
| **TOTAL LIABILITIES** | | **1,830.9** | 1,848.9 |
| **TOTAL EQUITY AND LIABILITIES** | | **3,124.6** | 3,100.8 |

# Consolidated cash flow statement

| EUR million | Note | 2023 | 2022 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit before tax | | **458.1** | 456.0 |
| Adjustments | | | |
| Depreciation, amortisation and impairment | 5.1 | **274.1** | 263.4 |
| Financial income (-) and expenses (+) | 7.4.1 | **23.3** | 13.1 |
| Gains (-) and losses (+) on the disposal of fixed assets | | **–4.2** | –0.1 |
| Increase (+) / decrease (-) in provisions on the income statement | | **0.7** | –2.2 |
| Other adjustments | | **–19.6** | –16.0 |
| | | **274.4** | 258.2 |
| Change in working capital | | | |
| Increase (-) / decrease (+) in trade and other receivables | | **–2.4** | –16.2 |
| Increase (-) / decrease (+) in inventories | | **15.0** | –13.3 |
| Increase (+) / decrease (-) in trade and other payables | | **2.4** | 2.0 |
| | | **15.1** | –27.5 |
| Dividends received | | **0.5** | 0.4 |
| Interest received | | **5.4** | 2.3 |
| Interest paid | | **–24.0** | –12.6 |
| Taxes paid | | **–81.6** | -85.0 |
| **Net cash flow from operating activities** | | **647.8** | 591.8 |

| EUR million | Note | 2023 | 2022 |
|---|---|---|---|
| **Cash flow from investing activities** | | | |
| Equity investments | 3 | | –20.5 |
| Contingent consideration of subsidiaries | | **–4.1** | –0.1 |
| Investments in associates | | **–0.3** | 0.0 |
| Other investments | | **–0.3** | –0.3 |
| Capital expenditure | | **–304.7** | –270.9 |
| Repayment of loan receivables | | | 0.1 |
| Proceeds from disposal of subsidiaries and businesses | | **3.7** | -0.2 |
| Proceeds from disposal of other investments | | **0.3** | 0.0 |
| Proceeds from disposal of tangible and intangible assets | | **4.6** | 0.1 |
| **Net cash flow used in investing activities** | | **–300.8** | –291.9 |
| **Cash flow before financing activities** | | **347.0** | 299.9 |
| **Cash flow from financing activities** | | | |
| Proceeds from long-term borrowings | | **298.2** | |
| Repayment of long-term borrowings | | **–201.7** | –100.3 |
| Increase (+) / decrease (-) in short-term borrowings | | **–90.5** | 124.8 |
| Repayment of lease liabilities | | **–25.4** | –24.9 |
| Acquisition of non-controlling interests | | **–7.3** | |
| Dividends paid | | **–343.5** | –328.1 |
| **Net cash used in financing activities** | | **–370.1** | –328.5 |
| **Change in cash and cash equivalents** | | **–23.1** | –28.6 |
| Translation differences | | **1.1** | –0.1 |
| Cash and cash equivalents at the beginning of the period | | **85.4** | 114.1 |
| **Cash and cash equivalents at the end of the period** | | **63.4** | 85.4 |

# Consolidated statement of changes in equity

| | Equity attributable to equity holders of the parent company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| EUR million | Share capital | Treasury shares | Reserve for invested non-restricted equity | Other reserves | Retained earnings | Total | Non-controlling interests | Total equity |
| **Balance at 1 January 2022** | 83.0 | –126.1 | 90.9 | 373.9 | 776.1 | 1,197.8 | 6.3 | 1,204.1 |
| Profit for the period | | | | | 374.1 | 374.1 | –1.3 | 372.8 |
| Other comprehensive income | | | | | | | | |
| Translation differences | | | | | –4.8 | –4.8 | 0.0 | –4.7 |
| Cash flow hedging | | | | –0.3 | | –0.3 | | –0.3 |
| Remeasurements of the net defined benefit liability | | | | 0.4 | | 0.4 | | 0.4 |
| Total other comprehensive income | | | | 0.0 | –4.8 | –4.7 | 0.0 | –4.7 |
| Total comprehensive income | | | | 0.0 | 369.3 | 369.3 | –1.3 | 368.0 |
| Dividend distribution | | | | | -328.5 | –328.5 | –0.1 | –328.7 |
| Share-based compensation | | 1.6 | | | | 1.6 | | 1.6 |
| Acquisition of subsidiary with non-controlling interests | | | | | | | 0.5 | 0.5 |
| Other changes | | | | | 6.4 | 6.4 | | 6.4 |
| **Balance at 31 December 2022** | 83.0 | –124.5 | 90.9 | 373.9 | 823.2 | **1,246.5** | 5.4 | **1,251.9** |
| Profit for the period | | | | | 375.2 | **375.2** | –1.2 | **374.0** |
| Other comprehensive income | | | | | | | | |
| Translation differences | | | | | –0.4 | **–0.4** | 0.0 | **–0.4** |
| Cash flow hedging | | | | –0.1 | | **–0.1** | | **–0.1** |
| Remeasurements of the net defined benefit liability | | | | 1.2 | | **1.2** | | **1.2** |
| Total other comprehensive income | | | | 1.2 | –0.4 | **0.8** | 0.0 | **0.8** |
| Total comprehensive income | | | | 1.2 | 374.8 | **376.0** | –1.2 | **374.8** |
| Dividend distribution | | | | | –344.8 | **–344.8** | –0.2 | **–345.1** |
| Share-based compensation | | 2.8 | | | | **2.8** | | **2.8** |
| Acquisition of non-controlling interests | | | | | | | –0.6 | **–0.6** |
| Other changes | | | | | 9.9 | **9.9** | –0.1 | **9.8** |
| **Balance at 31 December 2023** | 83.0 | –121.7 | 90.9 | 375.1 | 863.1 | **1,290.4** | 3.3 | **1,293.7** |

# Notes to the consolidated financial statements

## 1. General accounting principles

### *1.1 Basic information about the Group*

Information about the parent company:

Elisa Corporation

Domicile: Helsinki, Finland

Registered address: Ratavartijankatu 5, 00520 Helsinki

Business ID: 0116510–6

Elisa Corporation ("Elisa" or "the Group") engages in telecommunications activities and provides ICT and online services in Finland and in selected international market areas.

The shares of the parent company, Elisa Corporation, have been listed on the Nasdaq Helsinki since 1997.

On 25 January 2024, Elisa Corporation's Board of Directors accepted these financial statements for publication. A copy of these financial statements is available from Elisa's head office at Ratavartijankatu 5, Helsinki, or on the company's website at www.elisa.com.

### *1.2 Basis of preparation of financial statements*

Elisa's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), including adherence to IAS and IFRS standards and SIC and IFRIC interpretations valid as at 31 December 2023. In the Finnish Accounting Act and the provisions issued pursuant to it, the International Financial Reporting Standards refer to standards and interpretations that have been approved for application in the EU according to the procedures provided for in EU regulation (EC) No. 1606/2002 ("IFRS"). The notes to the consolidated financial statements are also compliant with Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared under the historical cost convention, with the exception of financial assets and liabilities, share-based payments, pension liabilities and derivatives recognised at fair value through profit or loss or statement of comprehensive income. The financial statements are presented in EUR million and the figures are rounded to one decimal place.

#### 1.2.1 Accounting principles, structure and presentation of the consolidated financial statements

The accounting policies and descriptions of conclusions based on the judgement of Elisa's management are mainly found in the notes to the financial statements, which are listed in the table below. Only some general accounting policies are described in this section.

Summary of notes, related to accounting principles for the consolidated financial statements of Elisa Group.

| Accounting principle | Note |
|---|---|
| Operating segments | 2.1 |
| Revenue from contracts with customers | 2.3 |
| Other operating income | 2.4 |
| Research and development costs | 2.5 |
| Earnings per share | 2.6 |
| Business acquisitions and disposals | 3 |
| Share-based incentives | 4.2 |
| Pension obligations | 4.3 |
| Property, plant and equipment | 5.2 |
| Right-of-use assets | 5.3 |
| Intangible assets | 5.4 |
| Goodwill | 5.4.1 |
| Inventories, trade and other receivables, trade and other liabilities | 6 |
| Financial assets and liabilities | 7.4 |
| Derivative instruments | 7.4.4 |
| Income taxes | 8.1.1 |
| Deferred tax assets and liabilities | 8.1.2 |
| Provisions | 8.2 |
| Consolidation principles, subsidiaries | 8.3.1 |
| Consolidation principles, associated companies | 8.3.2 |
| Off-balance sheet leases | 8.4 |

The symbols below indicate the figures mentioned in the notes that match the balances in the income statement, the statement of financial position and the cash flow statement.

I/S = Income Statement

B/S = Balance Sheet

C/F = Cash Flow Statement

### *Consolidation principles*

The consolidated financial statements include the parent company, Elisa Corporation, subsidiaries, associates and joint arrangements as described in detail in Notes 8.3.1 and 8.3.2.

### *Foreign-currency items*

**Functional currency**

The consolidated financial statements are presented in euros, which is the functional and presentation currency of the parent company.

**Transactions in foreign currencies**

Foreign-currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Monetary items have been translated into the functional currency at the exchange rates prevailing at the end of the reporting period. Non-monetary items denominated in foreign currencies are translated at the exchange rate on the date of the transaction, excluding items measured at fair value, which are translated at the exchange rates prevailing on the valuation date. Gains and losses arising from the currency translations are recognised through profit or loss. Foreign exchange gains and losses resulting from operating activities are included in the respective items above operating profit. Foreign exchange gains and losses from the liabilities denominated in foreign currencies are included in financial income and expenses, with the exception of exchange rate differences on foreign currency items that constitute a part of the net investment made in a foreign unit. These exchange rate differences are recognised in other comprehensive income, and accumulated exchange rate differences are included in the translation difference presented in shareholders' equity.

**Translation of foreign Group companies' financial statements**

The income statements of foreign subsidiaries that use a functional currency other than the Group's presentation currency have been converted into euros at the average exchange rate prevailing during the year, and statements of financial position at the exchange rate prevailing at the end of the reporting period. The different exchange rates applicable to the conversion of profit or loss on the income statement and balance sheet result in a translation difference recognised in shareholders' equity on the balance sheet, and any change in this difference is recognised in other comprehensive income. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries, as well as translation differences arising from equity items accumulated after the acquisition, are recognised in other comprehensive income. When a subsidiary is divested in full or in part, accumulated translation differences are recognised in the income statement as part of the sales gain or loss.

Goodwill arising from the acquisition of foreign entities and the fair value adjustments made to the book values of the assets and liabilities of such foreign entities upon acquisition are treated as assets and liabilities belonging to the foreign entities. These are converted into euros at the exchange rate prevailing at the end of the reporting period.

**1.2.2 Accounting principles that require the judgement of the management and key sources of uncertainty in estimates**

Preparation of the financial statements requires the Group's management to make certain estimates and considerations. In addition, judgement is required in applying the accounting policies. This applies particularly to cases in which valid IFRS standards provide for alternative methods of recognition, measurement or presentation.

The estimates made in connection with the preparation of financial statements are based on the management's best view at the end of the financial period, and the outcome may differ from the estimates and assumptions. Estimates are based on historical experience and assumptions concerning the future that are believed to be reasonable at the end of the financial period. The Group regularly assesses the realisation of estimates and assumptions, as well as changes in the underlying factors. Any changes in estimates and assumptions are recorded for the financial year during which the estimate or assumption was adjusted, and for all subsequent periods.

Significant areas of estimation and uncertainty in applying accounting policies that have the most significant impact on amounts recognised in the financial statements are related to business combinations (3), impairment of intangible assets (5.4.1), share-based payments (4.2), recognition of net defined pension liability (4.3) and recognition of deferred tax assets (8.1.2).

The potential climate change-related risks and opportunities to which the Group is exposed are disclosed in the Group's 2023 Sustainability report on pages 147 and 220. Management has exercised judgement in concluding that there is no other material financial impact from climate-related risks and opportunities that needs to be recognised in the consolidated financial statements. As the future impact of climate change will depend on environmental, regulatory and other factors outside of the Group's control that are not currently known, management will continue to monitor these estimates.

## *1.3 Applied new and revised standards*

The consolidated financial statements have been prepared in accordance with the same accounting policies used in 2022, with the exception of the new standards, interpretations and revisions to existing standards listed below, which the Group has applied since 1 January 2023. These revisions did not have a material impact on the consolidated financial statements.

- IFRS 17 *Insurance Contracts.* The new standard for insurance contracts will help investors and other parties better understand insurers' risk exposure, profitability and financial position. This standard replaces the IFRS 4 standard.
- Amendments to IAS 1 *Presentation of Financial Statements.* The amendments clarify the application of materiality to disclosure of accounting policies to help companies provide useful accounting policy disclosures.
- Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors.* The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications to accounting estimates.
- Amendments to IAS 12 *Income Taxes.* The amendments concern deferred taxes related to assets and liabilities arising from a single transaction, and OECD's (Organisation for Economic Co-operation and Development) international tax reform.

  The amendments narrow the initial recognition exemption (IRE) and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations which give rise to equal and offsetting temporary differences.

  The amendments give relief from accounting for deferred taxes arising from the OECD's international tax reform and require new disclosures to compensate for the potential loss of information resulting from the relief.

On 1 January 2024, the Group will adopt the following new amendments, provided they are approved by the EU by the planned date of adoption. These revisions are not expected to have a material impact on the consolidated financial statements.

- Amendments to IFRS 16 *Leases.*
  The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.
- Amendments to IAS 1 *Presentation of Financial Statements.* The amendments are intended to promote consistency in application and clarify the requirements for determining if a liability is current or non-current. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current on the reporting date. The amendments require companies to disclose information about these covenants in the notes to the financial statements. The amendments also clarify transfer of

a company’s own equity instruments is regarded as settlement of a liability. Liability with any conversion options might affect classification as current or non-current unless these conversion options are recognized as equity under IAS 32.

- Amendments to IAS 7 *Statements of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures.* The amendments enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. Amendments require to disclose quantitative and qualitative information about supplier finance programs.

On 1 January 2025, the Group will adopt the following new amendment, provided it is approved by the EU by the planned date of adoption. This revision is not expected to have a material impact on the consolidated financial statements.

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates.* The amendments require to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

## 2 Operational result

*2.1 Operating segments and geographical areas*

The Group has two reporting segments: Consumer Customers and Corporate Customers. The organisational and management structure of Elisa Group is based on a customer-oriented operating model. The reportable segments are based on the internal reporting provided to management.

The Consumer Customers segment provides consumers with telecommunications and communications services, such as fixed and mobile subscriptions with supplementary digital services, cable TV subscriptions, the Elisa Viihde entertainment service and the Elisa Kirja eBook service.

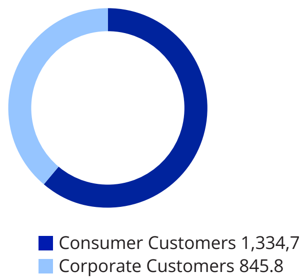
The Corporate Customers segment provides corporate and public administration organisations with services such as IT and communication solutions for the digital environment as well as fixed and mobile subscriptions. The Corporate Customers segment provides worldwide services such as videoconferencing services, solutions for automating network management and operations for mobile operators, and IoT solutions for industry.

### Operating segments

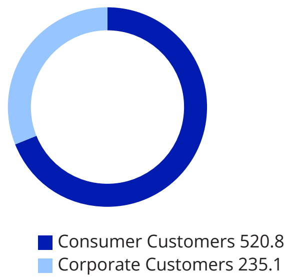
| **2023 EUR million** | **Consumer Customers** | **Corporate Customers** | **Unallocated** | **Group Total** |
|---|---|---|---|---|
| Revenue | **1,334.7** | **845.8** | | **2,180.5** |
| EBITDA | **520.8** | **235.1** | | **755.9** |
| Depreciation, amortisation and impairment | **–179.3** | **–94.9** | | **–274.1** |
| EBIT | **341.6** | **140.3** | | **481.8** |
| Financial income | | | **8.7** | **8.7** |
| Financial expenses | | | **–32.0** | **–32.0** |
| Share of associated companies' profit | | | **–0.4** | **–0.4** |
| Profit before tax | | | | **458.1** |
| | | | | |
| Investments | **213.0** | **108.4** | | **321.4** |
| Assets | **1,900.5** | **1,110.7** | **113.4** | **3,124.6** |

| **2022 EUR million** | **Consumer Customers** | **Corporate Customers** | **Unallocated** | **Group Total** |
|---|---|---|---|---|
| Revenue | 1,300.9 | 828.6 | | 2,129.5 |
| EBITDA | 495.7 | 237.6 | | 733.3 |
| Depreciation, amortisation and impairment | –174.0 | –89.5 | | –263.4 |
| EBIT | 321.7 | 148.1 | | 469.8 |
| Financial income | | | 5.6 | 5.6 |
| Financial expenses | | | –18.7 | –18.7 |
| Share of associated companies' profit | | | –0.7 | –0.7 |
| Profit before tax | | | | 456.0 |
| | | | | |
| Investments | 190.6 | 99.1 | | 289.7 |
| Assets | 1,891.9 | 1,082.4 | 126.5 | 3,100.8 |

**Revenue 2023**
EUR million




**EBITDA 2023**
EUR million



### Geographical areas

| 2023<br>EUR million | Finland | Rest of Europe | Other countries | Group total |
|---|---|---|---|---|
| Revenue | **1,821.6** | **306.2** | **52.7** | **2,180.5** |
| Assets | **2,597.3** | **497.3** | **30.0** | **3,124.6** |

| 2022<br>EUR million | Finland | Rest of Europe | Other countries | Group total |
|---|---|---|---|---|
| Revenue | 1,782.2 | 295.7 | 51.7 | 2,129.5 |
| Assets | 2,578.7 | 489.3 | 32.8 | 3,100.8 |

*Accounting Principles – Operating Segments:*

The segments are controlled by segment-specific performance reporting that includes external revenue, EBITDA, EBIT and capital investments. Financial items, share of associated companies' profit and income taxes are not allocated to operating segments. The costs of production and support functions are allocated to operating segments on the matching principle. Operations in Estonia are divided into the Consumer Customers and Corporate Customers operating segments on the basis of customer accounts.

Segment assets consist of intangible and tangible assets, right-of-use assets, inventories, trade and other non-interest bearing receivables. Deferred tax assets, investments in associated companies, other investments, interest-bearing receivables, financial items and income tax receivables are not included in segment assets. Liabilities are not allocated to operating segments.

The accounting principles of the segments are the same as those used in the preparation of the financial statements.

The reported geographical areas are Finland, Rest of Europe and Other Countries. Revenues are presented on the basis of customer location. The assets are presented on the basis of their location.

### *2.2 Items affecting comparability*

Elisa uses comparable key figures in its financial reporting to describe the financial development of its business and increase comparability between different periods.

Exceptional transactions outside the ordinary course of business are treated as items affecting comparability. Such items, as identified by the Group, are, for example, capital gains and losses from divestments of the assets and businesses, acquisition costs of assets and businesses, impairments, restructuring expenses and costs of legislative changes, damages or litigation.

### Income statement

| EUR million | 2023 | 2022 |
|---|---|---|
| Restructuring costs | | –2.0 |
| **Items affecting comparability in EBITDA** | | –2.0 |
| Impairment losses | **–5.6** | |
| **Items affecting comparability in EBIT and profit before tax** | **–5.6** | –2.0 |
| Income taxes on items affecting comparability | **1.1** | 0.4 |
| **Items affecting comparability in profit for the period** | **–4.5** | –1.6 |

| EUR million | 2023 | 2022 |
|---|---|---|
| **Comparable EBITDA** | | |
| I/S EBITDA | **755.9** | 733.3 |
| Items affecting comparability in EBITDA | | 2.0 |
| | **755.9** | 735.3 |
| **Comparable EBIT** | | |
| I/S EBIT | **481.8** | 469.8 |
| Items affecting comparability in EBIT | **5.6** | 2.0 |
| | **487.4** | 471.8 |
| **Comparable profit before tax** | | |
| I/S Profit before tax | **458.1** | 456.0 |
| Items affecting comparability in profit before tax | **5.6** | 2.0 |
| | **463.7** | 458.0 |
| **Comparable profit for the period** | | |
| I/S Profit for the period | **374.0** | 372.8 |
| Items affecting comparability in profit for the period | **4.5** | 1.6 |
| | **378.5** | 374.4 |
| **Comparable profit for the period attributable to equity holders of the parent** | | |
| Comparable profit for the period | **378.5** | 374.4 |
| Non-controlling interests | **–1.2** | –1.3 |
| | **379.7** | 375.7 |
| **Comparable earnings per share, EUR** | | |
| Comparable profit for the period attributable to equity holders of the parent | **379.7** | 375.7 |
| Average number of outstanding shares, diluted (1,000 shares) | **160,530** | 160,410 |
| | **2.37** | 2.34 |

### Cash flow

| EUR million | 2023 | 2022 |
|---|---|---|
| Acquisitions and disposals of shares and business combinations | **13.8** | 20.9 |
| **Items affecting comparability in cash flow before financing** | **13.8** | 20.9 |

The main items affecting comparability in 2023 were the acquisition of Elenia’s optical fibre network business, payment of camLine contingent consideration and Sulake purchase price receivable.

The main items affecting comparability in 2022 were the acquisitions of Frinx and Cardinality.

| **Comparable cash flow after investments** | | |
|---|---|---|
| C/F Cash flow before financing | **347.0** | 299.9 |
| Items affecting comparability in cash flow before financing | **13.8** | 20.9 |
| | **360.8** | 320.9 |

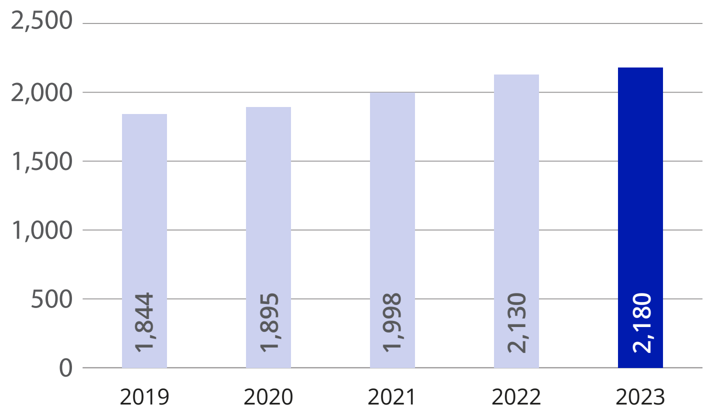
### *2.3 Revenue from contracts with customers*

Division of Group’s revenue

| EUR million | 2023 | 2022 |
|---|---|---|
| Rendering of services | **1,781.4** | 1,726.8 |
| Sale of equipment | **398.7** | 402.7 |
| Interest revenue | **0.4** | |
| I/S | **2,180.5** | 2,129.5 |

| EUR million | 2023 | 2022 |
|---|---|---|
| Mobile telecommunications | **1,290.2** | 1,252.5 |
| Fixed-network broadband and others | **890.2** | 877.0 |
| I/S | **2,180.5** | 2,129.5 |

**Development of revenue, EUR million**



*Accounting Principles – Revenue from contracts with customers:*

Revenue from consumer customers mainly consists of fixed and mobile subscriptions with supplementary digital services, cable TV subscriptions, the Elisa Viihde entertainment service and the Elisa Kirja eBook service. Consumer customer contracts are typically standard contracts that are treated as separate performance obligations.

Customer contracts may include several performance obligations, and Elisa may agree on the delivery or rendering of several products, services or access rights (service bundle). In that case, prices specified in the contract are used as the transaction price, which is allocated to performance obligations on a relative standalone selling price basis.

Revenue from corporate customers mainly consists of fixed and mobile subscriptions with supplementary digital services, IT and communication solutions for the digital environment, videoconferencing services, solutions for automating network management and operations for mobile operators and IoT solutions for industry. Contracts with corporate customers typically meet the criteria laid down for a contract negotiated as a single package, in which case, the revenue will be allocated to the goods and services based on the prices agreed with each customer.

A performance obligation may be fulfilled and revenue recognised over time or at certain points of time. The key criterion for the revenue recognition is the transfer of control. For performance obligations that are satisfied at a certain point of time, such as equipment, the customer is deemed to gain control when they enter into the contract and revenue is recognised when the equipment is transferred to the customer. Service contracts mainly comprise performance obligations that are satisfied over time. The performance is carried out, and revenue is recognised over time as the services are provided.

Fixed-term service contracts are recognised over the contract period, and the opening fees and related expenses, as well as discounts granted, are allocated to the entire contract period. Incremental costs of obtaining a fixed-term contract, such as sales and represent commissions, are capitalised and accrued as an expense during the contract period when these commissions relate directly to a contract that can be specifically identified. Service contracts valid until further notice are recognised over time. The opening fees and related expenses are recognised at the time when the service is connected.

The Group provides consumer customers with various payment methods granting them the possibility to purchase equipment with 12–36 months’ credit. Revenue for equipment is recognised at the time of the sale, regardless of whether the customer pays for the device fully at the time of sale or in monthly payments. If revenue accumulated by installment contract is higher than the cash selling price of the device, the difference is taken into account as a financing component. In this case, the transaction price is adjusted to take account of the financing component, and the intrest revenue is recognised over time during the customer’s contract period. Interest revenue is presented as part of the Group’s revenue. In the comparison period, based on management’s judgement, there was no significant financing component in the contracts.

Revenue from prepaid mobile phone cards is recognised over the period of realised use of the cards. Service fees invoiced from a customer on behalf of a third-party content service provider are not recognised as revenue.

As a rule, the customer has four weeks to cancel a service contract entered into through distance sales and return the purchased equipment. In principle, there is no right of cancellation for equipment bought from an Elisa shop. Based on historical experience, the number of refunds is expected to be low, due to which the Group has not recognised a refund liability for the amounts expected to be refunded, and revenue has not been adjusted by the estimated number of refunds.

The Group does not currently have any valid loyalty programmes.

### *2.4 Other operating income*

| EUR million | 2023 | 2022 |
|---|---|---|
| Gain on disposals of property, plant and equipment | **4.2** | 0.2 |
| Gain on disposal of subsidiaries [1] | **0.5** | |
| Government grants | **0.0** | 0.4 |
| Other items [2] | **5.1** | 6.3 |
| I/S | **9.8** | 6.9 |

[1] Includes a EUR 0.5 million profit on divestment of Videra companies.
[2] Other items include rental income from the real estate and other income not associated with ordinary operating activities.

*Accounting Principles – Other operating income:*

Other operating income includes non-operating income, such as capital gains on the disposal of tangible and intangible assets, subsidiaries and businesses, and rental income from real estate.

Government grants associated with development projects are recognised as other operating income when the related costs are recognised as expenses. Government grants associated with capitalised development costs are recorded as a reduction of capital expenditure.

### *2.5 Operating expenses*

#### *Materials and services*

| EUR million | 2023 | 2022 |
|---|---|---|
| Purchases of materials, supplies and goods | **529.0** | 556.4 |
| Change in inventories | **11.2** | –8.8 |
| External services | **277.7** | 272.9 |
| Foreign exchange gains and losses | **0.0** | 0.2 |
| I/S | **817.9** | 820.8 |

Gains and losses arising from foreign currency translations are recognised in accordance with their nature, either in materials and services or financial income and expenses.

#### *Employee expenses*

More detailed analysis of employee expenses is included in Note 4.

#### *Audit fees*

| EUR million | 2023 | 2022 |
|---|---|---|
| Auditing | **0.4** | 0.4 |
| Tax advisory services | **0.0** | 0.0 |
| Other services | **0.1** | 0.0 |
| | **0.5** | 0.4 |

In 2023, non-audit fees charged by KPMG Oy Ab were EUR 0.1 (0.0) million.

#### *Research and development costs*

| EUR million | 2023 | 2022 |
|---|---|---|
| Research and development costs recognised as expenses | **15.5** | 13.4 |
| Capitalised development costs | **8.9** | 8.0 |
| | **24.4** | 21.4 |

The focus areas for the research and development activities in 2023 were the development of corporate customers new services and platforms, production and quality management software for the manufacturing industry, as well as the development of network software solutions for telecom operators.

*Accounting Principles – Research and development:*

Research costs are recorded as expenses in the income statement. Development costs are capitalised from the date the product is technically feasible, it can be utilised commercially and the asset is expected to generate future economic benefit, and the Group has both the intention and the resources to complete the development and use or sell the asset. Capitalised development costs include those material, labour and testing costs and any capitalised borrowing costs that are directly attributable to bringing the asset to its working condition for its intended use. Otherwise, development costs are recorded as an expense. Development costs initially recognised as expenses cannot be subsequently capitalised.

## *2.6 Earnings per share*

| **Earnings per share, basic** | **2023** | **2022** |
|---|---|---|
| I/S Net profit for the period attributable to equity holders of the parent (EUR million) | **375.2** | 374.1 |
| Weighted average number of shares outstanding (1,000 shares) | **160,376** | 160,253 |
| Earnings per share, basic (EUR/share) | **2.34** | 2.33 |

| **Diluted earnings per share** | **2023** | **2022** |
|---|---|---|
| I/S Net profit for the period attributable to equity holders of the parent (EUR million) | **375.2** | 374.1 |
| Weighted average number of shares outstanding (1,000 shares) | **160,376** | 160,253 |
| Impact of share-based incentive plans | **154** | 157 |
| Weighted average number of shares outstanding adjusted by dilutive effect (1,000 shares) | **160,530** | 160,410 |
| Diluted earnings per share (EUR/share) | **2.34** | 2.33 |

*Accounting principles – Earnings per share:*

Basic earnings per share are calculated by dividing the net profit for the period attributable to the parent company's equity holders by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated on the same basis as earnings per basic share, except for the dilutive effect of converting all dilutive potential shares into basic shares.

## 3. Business acquisitions and disposals

### *Acquired businesses in 2023*

**Changes in ownership interests**

On 30 November 2023, the Group acquired an additional 43.5 per cent of shares in Sutaria Services Inc. The acquisition price was EUR 7.3 million. Following the acquisition, the Group owns the entire share capital of the company. Due to the acquisition the share of non-controlling interests decreased by EUR 0.6 million and the liability for the redemption EUR 7.3 (6.6) million was paid to non-controlling interests. Initial recognition and changes of liability for the redemption has been treated as equity transactions.

### *Disposals of businesses in 2023*

**Disposal of Elisa Videra business**

The businesses of Elisa Corporation's subsidiary Elisa Videra and the German company MVC Mobile VideoCommunication GmbH (owned by KLP Vermögensverwaltungs GmbH) was combined into MVC on 20 December 2023. After combination Elisa has 37.5% holding of MVC Mobile Video Communication GmbH and Elisa became a minority shareholder of the company. The transaction was conducted as a share swap.

As a result of a share swap, Elisa lost control of Elisa Videra Oy and its subsidiaries. The change in ownership was recorded in the Group as a sale of a subsidiary, and it resulted in a profit of EUR 0.5 million, recorded in other operating income.

The Group has consolidated the result of the companies as a subsidiary until 30 November 2023 and, starting from 1 December 2023, as an associated company.

*Net assets of the sold entity*

| EUR million | Carrying amount |
|---|---|
| Tangible and intangible assets | 1.0 |
| Inventories | 2.4 |
| Trade and other receivables | 23.6 |
| Cash and cash equivalents | 2.2 |
| Deferred tax liabilities | –1.1 |
| Lease liabilities | –0.3 |
| Trade payables and other liabilities | –6.9 |
| | 20.9 |

*Effects of disposal on cash flow*

| EUR million | |
|---|---|
| Cash and cash equivalent of a sold entity | –2.2 |
| | –2.2 |

*Effects of disposal on consolidated income statement and balance sheet*

| EUR million | |
|---|---|
| Selling price | 11.0 |
| Net assets of a sold entity | –20.9 |
| Pre-existing relationships between the Group and the sold entity [1] | 10.4 |
| Profit from the sale | 0.5 |

[1] As a result of the loss of control, the Group's net assets increased as the net receivables, totalling EUR 10.4 million and previously eliminated as intra-group items, were treated as the external receivables.

*Acquired businesses in 2022*

**Acquisition of Frinx s.r.o.**

On 31 March 2022, Elisa Polystar acquired Frinx s.r.o., a telecom network automation software supplier based in Slovakia. Frinx’s products and software complement Elisa Polystar’s zero-touch automation and analytics offering that helps communication service providers automate the management process of telecom networks in a multivendor environment.

The acquisition price was EUR 14.4 million, including a contingent consideration of EUR 1.1 million. EUR 0.5 million of the total acquisition price was allocated to software, which will be amortised over four years.The acquisition resulted in EUR 12.9 million of goodwill relating to the Group’s growth in digital services internationally and strengthening Elisa IndustIQ business.

The acquired company has been consolidated from 1 April 2022 onwards. External revenue after the acquisition was EUR 2.3 million, and the impact on the Group’s profit for the period was EUR 0.5 million. Had the acquisition been made as of the beginning of the year 2022, the impact on Group revenue would have been EUR 2.7 million and the effect on profit for the period EUR 0.3 million.

*Consideration transferred*

| EUR million | Carrying amount |
|---|---|
| Cash paid | 13.4 |
| Contingent consideration | 1.1 |
| Total acquisition price | 14.4 |

*Net assets acquired*

| EUR million | |
|---|---|
| Tangible assets | 0.0 |
| Intangible assets | 0.5 |
| Trade and other receivables | 0.8 |
| Cash and cash equivalents | 1.0 |
| Deferred tax liabilities | –0.1 |
| Trade payables and other liabilities | –0.4 |
| Tax liabilities | –0.3 |
| | 1.5 |

*Effects of acquisition on cash flow*

| EUR million | |
|---|---|
| Acquisition price paid in cash | –13.4 |
| Cash and cash equivalents of the acquired entity | 1.0 |
| | –12.3 |

*Goodwill arising from business combination*

| EUR million | |
|---|---|
| Consideration transferred | 14.4 |
| Identifiable net assets of the acquired entity | 1.5 |
| Goodwill | 12.9 |

EUR 0.2 million of acquisition-related costs, such as professional fees, were recorded in other operating expenses in 2022.

**Acquisition of Cardinality group**

On 4 August 2022, Elisa acquired the UK-based company Cardinality Ltd. Cardinality is a supplier of cloud-native data management (DataOps), service assurance and customer experience analytics for communications service providers (CSPs) globally.

The acquisition price was EUR 10.0 million including a contingent consideration of EUR 0.4 million. EUR 1.5 million of the total acquisition price was allocated to software, which will be amortised over four years. The acquisition resulted in EUR 8.7 million of goodwill relating to the Group's growth in digital services internationally and acceleration of its telecom software business development under Elisa Polystar.

The acquired companies have been consolidated from 1 August 2022 onwards. External revenue after the acquisition was EUR 1.5 million, and the impact on Group's profit for the period was EUR –0.7 million. Had the acquisition been made as of the beginning of the year 2022, the impact on Group revenue would have been EUR 3.4 million and the effect on profit for the period EUR –2.1 million.

*Consideration transferred*

| EUR million | Carrying amount |
|---|---|
| Cash paid | 9.6 |
| Contingent consideration | 0.4 |
| Total acquisition price | 10.0 |

*Net assets acquired*

| EUR million | |
|---|---|
| Tangible assets | 0.0 |
| Intangible assets | 1.5 |
| Trade and other receivables | 0.5 |
| Tax receivables | 0.5 |
| Cash and cash equivalents | 1.4 |
| Deferred tax liabilities | –0.3 |
| Interest-bearing liabilities | –0.3 |
| Trade payables and other liabilities | –2.1 |
| | 1.2 |

*Effects of acquisition on cash flow*

| EUR million | |
|---|---|
| Acquisition price paid in cash | –9.6 |
| Cash and cash equivalents of the acquired entities | 1.4 |
| | –8.2 |

*Goodwill arising from business combination*

| EUR million | |
|---|---|
| Consideration transferred | 10.0 |
| Identifiable net assets of the acquired entities | 1.2 |
| Goodwill | 8.7 |

EUR 0.4 million of acquisition-related costs, such as professional fees, were recorded in other operating expenses in 2022.

## *Disposals of businesses in 2022*

**Withdrawal from business in Russia**

Elisa sold OOO LNR in Russia on 7 July 2022. The divestment of Polystar Ryssland LLC was initiated in 2022 and the company has been liquidated in 2023. The costs of the withdrawal from the Russian operations, EUR 1.1 million, are presented in other operating expenses of the comparison period 2022.

*Accounting principles – Business acquisitions and disposals:*

Subsidiaries are consolidated from the date the Group obtains control, and divested companies until the loss of control.

Acquisitions are measured at amortised cost. Identifiable assets acquired and assumed liabilities are measured at their fair value on the acquisition date.

Possible investments in non-controlling interests are measured either at a proportionate share of the acquiree's identifiable net assets or at fair value. The method to be used is selected on a case-by-case basis. Subsequent changes in non-controlling interests are treated as equity transactions.

In business combinations carried out in stages, any previously held equity share in the acquiree is measured at fair value, and the resulting gain or loss is recognised through profit or loss.

The acquisition price consists of the fair value of cash and any contingent consideration transferred. The amount of the acquisition price that exceeds the fair value of the acquired net assets is recognised as goodwill. Additional information regarding valuation and impairment testing of goodwill is available under note 5.4.1.

Any changes in contingent consideration are expensed through profit and loss. Acquisition-related costs, such as consulting fees and transfer tax, are accounted for as expenses for the periods when the costs were incurred and the services received. The costs are presented as other operating expenses in the income statement.

In connection with loss of control, any investment retained in a former subsidiary is measured at fair value through profit or loss on the date of the transaction. Changes in ownership interest that do not result in a loss of control are accounted for as equity transactions.

*Accounting policies that require management's judgement – Acquisitions:*

The identifiable assets and liabilities acquired in a business combination are measured at fair value at the acquisition date. When determining the fair value of the acquired net assets, consideration and estimates may be required. Estimates and judgement are based on the management's best view of the situation at the time of the acquisition.

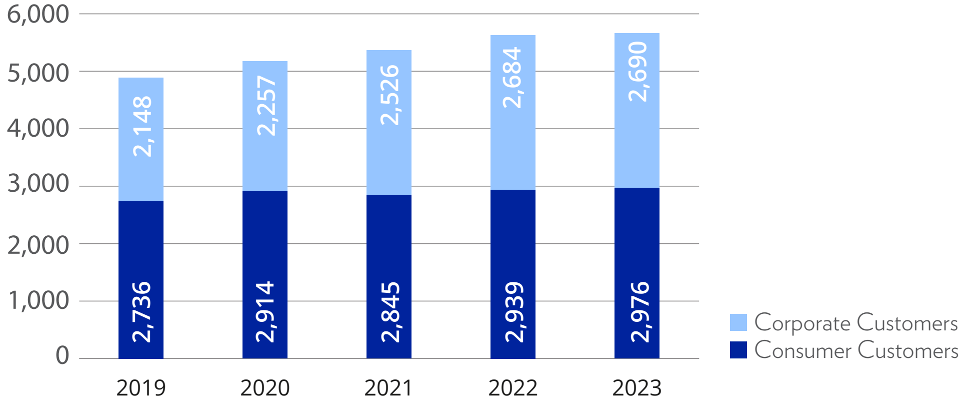
## 4 Personnel

### *4.1 Employee expenses*

| EUR million | 2023 | 2022 |
|---|---|---|
| Salaries and wages | **331.0** | 314.4 |
| Share-based payments | **15.4** | 14.0 |
| Pension expenses - defined contribution plans | **45.8** | 44.2 |
| Pension expenses - defined benefit plans | **0.5** | 0.3 |
| Other employee costs | **24.3** | 21.8 |
| I/S | **417.1** | 394.8 |

| Number of personnel at the end of the reporting period | 2023 | 2022 |
|---|---|---|
| Consumer Customers | **2,976** | 2,939 |
| Corporate Customers | **2,690** | 2,684 |
| | **5,666** | 5,623 |

**Number of personnel at the year end**




### *Employee bonus and incentive schemes*

All employees are included in the scope of performance-, incentive-, commission- or provision-based bonus schemes. The Group also has a personnel fund. The costs of the performance-based bonus scheme and personnel fund are recognised on an accrual basis, and the costs are based on the best available estimate of realised amounts.

**Performance-based bonus scheme**

Rewards are based on financial and operational metrics of Elisa Corporation and its units. Targets are set, and the maximum amount of reward is confirmed semi-annually. Some of the Group's key personnel also participated in the share-based compensation plan.

**Personnel fund**

The objective of the personnel fund is to secure the commitment of the personnel to Elisa's long-term objectives and to reinforce their interest in the company's financial success and its metrics.

The evaluation metrics for the performance-based bonus schemes are earnings per share (EPS) and achievement of defined strategic goals. The Board of Directors decides on the performance-based bonus schemes and sets the earning criteria for the profit share reward annually.

The members of the personnel fund are the employees of Elisa Group, with the exception of those employees who are part of the share incentive plan. In 2023, EUR 1.5 (2.2) million was recognised in the Group's personnel fund.

### *Remuneration of management*

| EUR million | 2023 | 2022 |
|---|---|---|
| Managing Directors | **7.9** | 8.0 |
| Members and deputy members of Boards of Directors | **0.8** | 0.8 |

### *Employment benefits for key management*

Key management consists of Elisa's Board of Directors, the CEO and the Executive Board.

The remuneration of the Board members and CEO is presented under note 4 for the parent company.

**Benefits recognised on the income statement**

| EUR million | 2023 | 2022 |
|---|---|---|
| Remuneration and other short-term employee benefits | **4.8** | 5.1 |
| Post-employment benefits | **0.3** | 0.3 |
| Share-based compensation [1] | **5.7** | 5.1 |
| | **10.8** | 10.5 |

[1] In 2023, the share-based compensation expenses were EUR 15.4 (14.0) million, of which EUR 1.5 (1.3) million is allocated to the CEO and EUR 4.2 (3.7) million to the Executive Board. The terms and conditions of share-based incentive plans are described under Note 4.2.

| Benefits paid<br>EUR million | 2023 | 2022 |
|---|---|---|
| Board of Directors | **0.8** | 0.8 |
| CEO | **1.0** | 1.1 |
| Executive Board | **3.1** | 3.2 |
| Share-based compensation [1] | **5.3** | 2.7 |
| | **10.1** | 7.8 |

1) The reward paid to the CEO under the share-based compensation plans was EUR 1.4 (0.7) million, and the reward paid to the Executive Board members EUR 3.9 (2.0) million.

The period of notice for the CEO is six months if the service contract is terminated by Elisa, and three months if the contract is terminated by the CEO. Should the service contract be terminated by the Elisa, the CEO is entitled to a severance payment equalling the total salary of 24 months less the salary for the period of notice.

The period of notice for other members of the Executive Board is six months if the service contract is terminated by the Elisa. Should the contract be terminated by Elisa, the member of the Executive Board is entitled to receive a severance payment that equals the total salary of 15 months less the salary for the period of notice.

### *CEO's pension commitments*

In 2020, the Board of Directors agreed with the CEO of Elisa Corporation, Veli-Matti Mattila, that he will continue as CEO until further notice. In August 2023 Veli-Matti Mattila informed the company´s Board of Directors that he will retire when the new CEO Topi Manner starts in the position, on 1 March 2024 at the latest. Under the previous executive agreement, Mattila would have retired at the age of 60. An increase in the statutory retirement age is compensated for by a decision of the Board.

The CEO's supplementary pension coverage is based on a defined contribution scheme. The pension arrangements include a right to a paid-up policy. The company's pension liability of EUR 1.7 million is included in the pension obligations on the balance sheet. It accrues annually at 5.1% of annual earnings under employer's pension insurance (TyEL), and the pension insurance for the management group accrues at 20.7% of annual earnings under TyEL for pensions payable from the age of 62 onwards.

The executive agreements of the Group Management Board members appointed before 2013 expire mainly at the age of 62, when they have the right to retire. Pension provisions are cash-based, and they are covered by management supplementary pension insurance, which includes vested rights.

### *Share-based compensation granted to the management*

The reward paid in 2023 to the CEO under the 2017 plan's 2020–2022 performance period equals the value of 12,057 shares and for the rest of the Executive Board 34,848 shares.

The reward paid in 2022 to the CEO under the 2017 plan's 2019–2021 performance period equals the value of 6,426 shares and for the rest of the Executive Board 17,642 shares.

The maximum reward granted to the CEO under the 2021 plan's 2021–2023 performance period equals the value of 32,000 shares and for the rest of the Executive Board 94,500 shares. The reward will be paid after the publication of the 2023 financial statements.

The maximum reward granted to the CEO under the 2021 plan's 2022–2024 performance period equals the value of 32,000 shares, of which a portion that corresponds to his working time during the performance period will be paid. The maximum reward granted for the rest of the Executive Board equals the value of 89,500 shares. The reward will be paid after the publication of the 2024 financial statements.

The maximum reward granted to the CEO under the 2021 plan's 2023–2025 performance period equals the value of 38,430 shares of which a portion that corresponds to his working time during the performance period will be paid. The maximum reward granted for the rest of the Executive Board equals the value of 109,000 shares. The reward will be paid after the publication of the 2025 financial statements.

### *Elisa shares held by key members of the management*

The members of Elisa's Board of Directors, the CEO, the members of the Executive Board and their related parties held a total of 309,729 shares and votes, corresponding to 0.19 per cent of all shares and votes.

### *4.2 Share-based incentives*

The Group has share-based incentive plans in place. The aim of the plans is to align the objectives of the shareholders and the key employees to increase the value of the Company over the long term, to retain the key employees at the Company, and to offer them a competitive reward plan that is based on earning and accumulating the Company´s shares. The potential rewards are based on the accomplishment of the goals set.

#### 4.2.1 Share-based incentive plan 2021

On 4 March 2021, the Board of Directors of Elisa Corporation has appoved a share-based incentive plan for the Group key employees for years 2021–2025.

The Performance Share Plan includes three three-year performance periods, calendar years 2021–2023, 2022–2024 and 2023–2025. The Board of Directors decided the performance criteria for the plan and required performance levels for each criterion at the beginning of each perfomance period. After the end of each performance period, the reward is paid as a combination of company shares and cash after the financial statements are completed. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. As a rule, no reward will be paid if a participant’s employment or service ends before the reward is paid.

The performance criteria for the performance period 2023–2025 are based on Group’s earnings per share (EPS), the International Digital services growth, Employee Engagement and annual progress in specific key business growth targets. The rewards to be paid on the basis of the performance period 2023–2025 correspond to the value of a maximum total of 395,800 Elisa Corporation shares.

The performance criteria for the performance period 2022–2024 are based on Group’s EPS, the International Digital services growth, Employee Engagement and annual progress in specific key business growth targets. The rewards to be paid on the basis of the performance period 2022–2024 correspond to the value of a maximum total of 360,500 Elisa Corporation shares.

The performance criteria for the performance period 2021–2023 are based on Group’s EPS, the International Digital services growth and on annual progress in specific key business growth targets. The rewards to be paid on the basis of the performance period 2022–2024 correspond to the value of a maximum total of 410,700 Elisa Corporation shares.

The CEO of the company and members of the Corporate Executive Board must retain a minimum of 50 per cent of the net shares given on the basis of the plan. For the CEO, this obligation remains in place until the CEO’s shareholding in the company corresponds to the value of his annual salary, and for members of the Corporate Executive Board, until their total shareholding corresponds to the value of half of their annual salary.

| **Amount of share incentives and terms and assumptions in the fair value calculation** | **Performance period 2023–2025** | **Perfomance period 2022–2024** | **Perfomance period 2021–2023** |
|---|---:|---:|---:|
| Maximum number of shares granted | 395,800 | 360,500 | 410,700 |
| Grant date | 31.12.2022 | 31.12.2021 | 31.12.2020 |
| Share price on the grant date, EUR | 49.46 | 54.12 | 49.70 |
| | | | |
| Performance period starts | 1.1.2023 | 1.1.2022 | 1.1.2021 |
| Performance period ends | 31.12.2025 | 31.12.2024 | 31.12.2023 |
| | | | |
| Estimated realisation of earning criteria at the beginning of performance period, % | 41 | 44 | 46 |
| Estimated realisation of earning criteria on the closing date, % | 58 | 79 | 76 |
| | | | |
| Number of participants in the plan on the closing date | 192 | 177 | 154 |

#### 4.2.2 Share-based incentive plan 2017

On 15 December 2017, Elisa's Board of Directors decided on the share-based incentive plan for key personnel for 2018–2022.

The performance-based incentive plan has three performance periods: the calendar years 2018–2020, 2019–2021 and 2020–2022. The Board of Directors decides the performance criteria for the plan and the required performance levels for each criterion at the beginning of each performance period. After the end of each performance period, the reward is paid as a combination of company shares and cash after the financial statements are completed. The cash portion is intended to cover the tax obligations resulting from the share-based payment. As a rule, no reward will be paid if a participant's employment or service ends before the reward is paid.

The earnings criteria for the performance period 2020–2022 were based on Group's earnings per share EPS, development of new businesses and other key objectives. The total maximum amount to be paid for the performance period 2020–2022 equals the value of 407,600 Elisa shares.

The earnings criteria for the performance period 2019–2021 were based on Group's EPS, development of new businesses and other key objectives. The total maximum amount to be paid for the performance period 2019–2021 equals the value of 536,000 Elisa shares.

The earnings criteria for the performance period 2018–2020 were based on Group's EPS, development of new businesses and other key objectives. The total maximum amount to be paid for the performance period 2018–2020 equals the value of 550,000 Elisa shares.

The CEO of the company and members of the Corporate Executive Board must retain a minimum of 50 per cent of the net shares given on the basis of the plan. For the CEO, this obligation remains in place until the CEO's shareholding in the company corresponds to the value of his annual salary, and for members of the Corporate Executive Board, until their total shareholding corresponds to the value of half of their annual salary.

| **Amount of share incentives and terms and assumptions in the fair value calculation** | **Performance period 2020–2022** | **Performance period 2019–2021** | **Performance period 2018–2020** |
|---|---|---|---|
| Maximum number of rewards granted | 407,600 | 536,000 | 550,000 |
| Grant date | 31.12.2019 | 31.12.2018 | 31.12.2017 |
| Share price on the grant date, EUR | 49.25 | 36.08 | 32.72 |
| | | | |
| Performance period starts | 1.1.2020 | 1.1.2019 | 1.1.2018 |
| Performance period ends | 31.12.2022 | 31.12.2021 | 31.12.2020 |
| | | | |
| Estimated realisation of earning criteria at the beginning of performance period, % | 61 | 74 | 85 |
| Realisation of earning criteria, % | 71 | 31 | 39 |
| | | | |
| Number of shares distributed | 127,539 | 72,394 | 95,241 |
| Volume weighted average share price at distribution date, EUR | 52.85 | 52.52 | 49.39 |
| Number of shares distributed as a proportion of the possible maximum number, % | 31 | 14 | 17 |
| | | | |
| Number of participants in the plan on the payment date | 164 | 175 | 164 |

#### 4.2.3 Committed share-based incentive plan 2019

On 31 January 2019, Elisa’s Board of Directors decided on a committed share-based incentive plan for 2019–2025.

The rewards granted under the plan have a restriction period of 1–3 years. The potential reward is based on the validity of the key person’s contract of employment. The maximum number of rewards paid under the plan equals the value of 500,000 Elisa shares.

| Amount of share incentives and terms and assumptions in the fair value calculation | Restriction period 2023 | Restriction period 2022–2023 | Restriction period 2022–2023 |
|---|---|---|---|
| Maximum number of rewards granted | 2,500 | 8,000 | 2,500 |
| Grant date | 1.1.2023 | 1.8.2022 | 1.8.2022 |
| Share price on the grant date, EUR | 49.78 | 54.16 | 54.16 |
| Restriction period started | 1.1.2023 | 1.8.2022 | 1.8.2022 |
| Restriction period ends | 31.12.2023 | 31.12.2023 | 31.8.2023 |
| Estimated realisation of earnings criteria at the beginning of performance period, % | 100 | 100 | 100 |
| Estimated realisation of earning criteria on the closing date, % | 100 | 100 | |
| Realisation of earning criteria, % | | | 100 |
| Number of shares transferred | | | 1,185 |
| Average exchange rate on the day of transfer, EUR | | | 44.98 |
| Number of shares distributed as a proportion of the maximum amount of share rewards granted, % | | | 47 |
| Number of participants in the plan on the payment date | | | 5 |
| Number of participants in the plan on the closing date | 6 | 4 | |

#### 4.2.4 Committed share-based incentive plan 2023

On 1 February 2023, Elisa’s Board of Directors decided on a committed share-based incentive plan for 2023–2027.

The rewards granted under the plan have a restriction period of 1–3 years. The potential reward is based on the validity of the key person’s contract of employment. The maximum number of rewards paid under the plan equals the value of 500,000 Elisa shares.

| Amount of share incentives and terms and assumptions in the fair value calculation | Restriction period 2023–2024 |
|---|---|
| Maximum number of rewards granted | 334 |
| Grant date | 1.11.2023 |
| Share price on the grant date, EUR | 40.78 |
| Restriction period started | 1.11.2023 |
| Restriction period ends | 31.12.2024 |
| Estimated realisation of earnings criteria at the beginning of performance period, % | 100 |
| Estimated realisation of earning criteria on the closing date, % | 100 |
| Number of participants in the plan on the closing date | 1 |

**Expenses of share-based incentive plans**

In 2023, EUR 15.4 (14.0) million of expenses were recognised for the share incentive plans.

*Accounting principles – Share-based payments:*

In the share-based payment scheme, the total reward amount is the gross earning of shares granted less the applicable withholding tax, with the remaining net amount being paid to the reward recipient in shares. Compensation costs for the share-based incentive plans are entirely treated as equity-settled arrangements. Share-based incentive costs are recognised based on the number of gross shares issued, even though the employee ultimately receives only net shares. The Group settles a cash payment for each portion with the Finnish Tax Administration, as required to meet withholding tax obligations. The withholding tax paid to the Tax Administration is recognised directly in equity.

Share-based incentive plans are measured at the fair value on the grant date. If the assumption regarding the realised number of shares changes, an adjustment will be recorded through profit and loss. The share-based incentive plans do not include any other non-market-based terms and conditions. Transfer restrictions related to the share-based incentive plans are out of the scope of the fair value measurement and expense recognition.

*Accounting policies that require management's judgement – Share-based payments:*

The expense recognition for the share-based incentive plans is based on an estimate of the fulfilment of the share incentive plan criteria and the development of Elisa Group's share price. The fulfilment of the share incentive plan criteria and the development of the share price might deviate from the estimates.

### *4.3 Pension obligations*

The Group's pension obligations are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group pays fixed contributions to pension insurance companies. If the pension insurance company does not hold sufficient assets to pay all employees the benefits in question, the Group will have no legal or constructive obligation to pay further contributions. The contributions for defined contribution pension plans are recognised as expenses during the financial year in which the payment obligation has arisen. All other plans not meeting the above criteria are classified as defined benefit plans.

The pension schemes for the Group's personnel in Finland are covered by the Employees Pensions Act (TyEL) and are arranged through pension insurance companies. The Finnish Employees Pensions Act (TyEL) is a defined contribution plan. Supplementary pensions are arranged through life insurance companies. Some supplementary pension plans and pension plans under the responsibility of some Group companies have been classified as defined benefit plans. The defined benefit plans are mainly funded by yearly contributions to the insurance companies, based on actuarial valuation. Local tax and other legislation are applied to the pension plan arrangements. Only Elisa Corporation has defined benefit plans. The pension plans in foreign subsidiaries are defined contribution plans.

Post-employment benefits of key management are described in Note 4.1.

*The net defined benefit related to pension liability*

| EUR million | 2023 | 2022 |
|---|---|---|
| Present value of unfunded obligations | **–2.8** | –3.1 |
| Present value of funded obligations | **–41.2** | –47.5 |
| Fair value of plan assets | **34.7** | 37.7 |
| B/S Net pension liability (-) / receivable (+) in the statement of financial position | **–9.3** | –12.9 |

*Pension expenses recognised in the statement of comprehensive income*

| EUR million | 2023 | 2022 |
|---|---|---|
| Expense recognised in profit or loss | | |
| Service cost | **0.2** | 0.2 |
| Net interest | **0.4** | 0.1 |
| | **0.5** | 0.3 |
| Remeasurements | **–1.5** | –0.5 |
| Tax effect of the remeasurements | **0.3** | 0.1 |
| I/S | **–1.2** | –0.4 |

*Reconciliation of the net defined benefit obligations in the statement of financial position*

| EUR million | 2023 | 2022 |
|---|---|---|
| Net defined benefit obligation at the beginning of the period | **12.9** | 14.4 |
| Pension expenses recognised in profit or loss | **0.5** | 0.3 |
| Remeasurements | **–1.5** | –0.5 |
| Contributions paid by the employer | **–2.6** | –1.3 |
| Net defined benefit obligation at the end of period | **9.3** | 12.9 |

*Changes in the present value of the defined benefit obligations*

| EUR million | 2023 | 2022 |
|---|---|---|
| Obligation at the beginning of the period | **–50.6** | –62.6 |
| Current service cost | **–0.2** | –0.2 |
| Interest expenses | **–1.5** | –0.4 |
| Remeasurements | | |
| Actuarial gain (+) or loss (-) arising from changes in economic assumptions | **2.4** | 8.0 |
| Gain (+) or loss (-) arising from experience adjustments | **1.5** | 0.1 |
| Benefits paid | **4.5** | 4.5 |
| Obligation at the end of period | **–44.0** | –50.6 |

*Changes in the fair value of plan assets*

| EUR million | 2023 | 2022 |
|---|---|---|
| Fair value of plan assets at the beginning of the period | **37.7** | 48.2 |
| Interest income | **1.2** | 0.3 |
| Remeasurements, gain (+) or loss (-) | **–2.3** | –7.7 |
| Benefits paid | **–4.5** | –4.5 |
| Contributions paid by the employer | **2.6** | 1.3 |
| Fair value of plan assets at the end of period | **34.7** | 37.7 |

| **The principal actuarial assumptions used** | 2023 | 2022 |
|---|---|---|
| Discount rate, % | **3.8** | 3.3 |
| Future pension increase, % | **2.7** | 2.8 |
| Inflation, % | **2.4** | 2.6 |

*Sensitivity analysis of net defined benefit obligation*

| Change in actuarial assumptions | Effect on the net defined benefit obligation, EUR million 2023 | 2022 |
|---|---|---|
| Discount rate + 0.5% | **–0.6** | –0.9 |
| Future pension increase +0.5% | **0.7** | 0.9 |
| Expected mortality +1 year | **0.6** | 0.7 |

When calculating a change in one assumption of the sensitivity analysis, the other assumptions are assumed to remain unchanged. In practice, this is not likely to happen, and some changes in the assumptions may correlate with each other. The figures in the sensitivity analysis have been calculated using the same method that is applied when calculating defined benefit obligations.

Defined benefit obligations expose the Group to various risks. Decreases in the gain of corporate bonds, higher inflation and a higher expected retirement age may predispose the Group to the growth of defined benefit obligations. On the other hand, since the fair value of assets is calculated using the same discount rate that is used when calculating the obligation, the change in the discount rate will only affect the net defined benefit obligation. Similarly, a rise in life expectancy will increase the assets and affect the net defined benefit obligation.

The weighted average duration of the obligation is 12.7 (13.6) years.

The Group expects to contribute EUR 1.4 (0.7) million to defined benefit pension plans in 2024.

The assets of the defined benefit obligations are 100 per cent acceptable insurances.

*Accounting principles – Pension obligations:*

The Group's defined benefit obligation has been calculated separately for each plan using the projected unit credit method. Pension expenses calculated by authorised actuaries are recognised in profit or loss over the employees' working lives. The rate used to discount the present value of the defined benefit obligation is determined by reference to market yields of high-quality corporate bonds. If such information is not available, the market yields on government bonds are used. The maturity of corporate bonds and government bonds are substantially consistent with the maturity of pension obligations. The present value of a defined benefit obligation is reduced by the fair value of the plan assets at the end of the reporting period. The net defined benefit pension liability is recognised in the statement of financial position.

The current service cost and net interest of the net defined benefit liability are recorded in employee expenses on the income statement. The remeasurements of the net defined benefit liability, for example actuarial gains and losses and the return on plan assets, are recognised in other comprehensive income during the financial period in which they incur.

*Accounting policies that require management's judgement – Pension obligations:*

The book value of defined pension obligations is based on actuarial valuations. Assumptions and estimates used in the valuations include, among others, the discount rate used on the valuation of the pension obligation and plan assets, as well as the development of inflation and salary levels.

## 5 Tangible and intangible assets

### *5.1 Depreciation, amortisation and impairment*

| EUR million | 2023 | 2022 |
|---|---|---|
| **Tangible assets** | | |
| Land and water areas | | |
| Right-of-use assets | **1.2** | 1.1 |
| Buildings and constructions | | |
| Owned buildings and constructions | **12.3** | 11.9 |
| Right-of-use assets | **21.5** | 20.3 |
| Telecom devices, machinery and equipment | | |
| Owned telecom devices, machinery and equipment | **176.0** | 168.8 |
| Right-of-use assets | **2.9** | 3.0 |
| Other tangible assets | **0.1** | 0.1 |
| | **213.9** | 205.2 |
| **Intangible assets** | | |
| Customer base | **2.6** | 4.3 |
| Other intangible assets | **57.6** | 53.9 |
| | **60.2** | 58.2 |
| I/S | **274.1** | 263.4 |

EUR 5.6 (0.0) million of impairment losses have been recorded for the assets in connection with the ramp down of the 3G network.

### *5.2 Property, plant and equipment*

| 2023 EUR million | Land and water areas | Buildings and structures | Telecom devices, machinery and equipment | Other tangible assets | Tangible assets under construction | Total |
|---|---|---|---|---|---|---|
| Acquisition cost at 1 Jan. | 11.7 | 334.8 | 4,045.9 | 36.6 | 32.7 | **4,461.7** |
| Additions | 0.3 | 14.8 | 190.8 | 0.1 | 30.6 | **236.6** |
| Business disposals | | –0.5 | –9.5 | | | **–10.0** |
| Disposals | –0.2 | –1.2 | –374.6 | –0.1 | 0.0 | **–376.2** |
| Reclassifications | 0.0 | 3.4 | 22.7 | | –24.9 | **1.3** |
| Translation differences | 0.0 | 0.0 | –0.1 | 0.0 | 0.0 | **–0.1** |
| Acquisition cost at 31 Dec. | 11.7 | 351.3 | 3,875.3 | 36.6 | 38.3 | **4,313.3** |
| Accumulated depreciation and impairment at 1 Jan. | –0.1 | 206.7 | 3,452.6 | 35.9 | | **3,695.0** |
| Depreciation and impairment | 0.0 | 12.3 | 176.0 | 0.1 | | **188.4** |
| Accumulated depreciation on disposals and reclassifications | 0.0 | –1.1 | –374.6 | –0.1 | | **–375.8** |
| Accumulated depreciation on business disposals | | –0.4 | –9.5 | | | **–9.9** |
| Translation differences | | 0.0 | 0.0 | 0.0 | | **0.0** |
| Accumulated depreciation and impairment at 31 Dec. | –0.1 | 217.4 | 3,244.5 | 35.9 | | **3,497.7** |
| B/S Book value at 1 Jan. | 11.8 | 128.1 | 593.3 | 0.8 | 32.7 | **766.7** |
| B/S Book value at 31 Dec. | 11.9 | 133.9 | 630.8 | 0.8 | 38.3 | **815.6** |

| 2022<br>EUR million | Land and water areas | Buildings and structures | Telecom devices, machinery and equipment | Other tangible assets | Tangible assets under construction | Total |
|---|---|---|---|---|---|---|
| Acquisition cost at 1 Jan. | 12.3 | 316.0 | 3,949.0 | 36.5 | 33.9 | 4,347.7 |
| Business acquisitions | | 0.0 | 0.1 | 0.0 | | 0.1 |
| Additions | 0.1 | 18.1 | 152.4 | 0.1 | 29.6 | 200.3 |
| Business disposals | | | –1.2 | | | –1.2 |
| Disposals | | | –80.7 | 0.0 | | –80.8 |
| Reclassifications | –0.6 | 0.6 | 26.2 | 0.0 | –30.8 | –4.6 |
| Translation differences | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Acquisition cost at 31 Dec. | 11.7 | 334.8 | 4,045.9 | 36.6 | 32.7 | 4,461.7 |
| Accumulated depreciation and impairment at 1 Jan. | 0.0 | 195.9 | 3,363.3 | 35.8 | | 3,595.0 |
| Depreciation and impairment | –0.1 | 11.9 | 168.8 | 0.1 | | 180.7 |
| Accumulated depreciation on business acquisitions | | | 0.1 | | | 0.1 |
| Accumulated depreciation on disposals and reclassifications | | –1.2 | –78.9 | 0.0 | | –80.1 |
| Accumulated depreciation on business disposals | | | –0.7 | | | –0.7 |
| Translation differences | | 0.0 | 0.0 | 0.0 | | 0.0 |
| Accumulated depreciation and impairment at 31 Dec. | –0.1 | 206.7 | 3,452.6 | 35.9 | | 3,695.0 |
| B/S Book value at 1 Jan. | 12.3 | 120.0 | 585.7 | 0.8 | 33.9 | 752.7 |
| B/S Book value at 31 Dec. | 11.8 | 128.1 | 593.3 | 0.8 | 32.7 | 766.7 |

On 31 December 2023, the investment commitments for tangible and intangible assets were EUR 73.5 (70.1) million.

*Accounting principles – Property, plant and equipment:*

Property, plant and equipment are recognised in the statement of financial position at the original cost. Property, plant and equipment are valuated at acquisition cost less accumulated depreciation and impairments. Depreciation is recorded on a straight-line basis over the useful lives of tangible assets. The residual value and the useful life of an asset are reviewed at year-end and adjusted, if necessary.

Subsequent costs, such as renewals and major renovation projects, are capitalised when it is probable that future economic benefit will flow to the Group. Ordinary repair, service and maintenance costs are recognised as expenses during the financial period in which they incur.

Government grants, such as grants received in connection with the acquisition of fixed assets, are recorded as a deduction from the carrying amount of the fixed assets. Government grants are recognised in profit and loss in the form of lower depreciation over the useful life of the fixed asset.

| Expected useful life of property, plant and equipment: | |
|---|---|
| Buildings and structures | 25–40 years |
| Machinery and equipment in buildings | 10–25 years |
| Telecommunications network (line, backbone, area, subscription, cable TV) | 8–15 years |
| Exchanges and concentrators (fixed and mobile core) | 6–10 years |
| Equipment for the network and exchanges | 3–8 years |
| Telecommunication terminals | 2–4 years |
| Other machinery and equipment | 3–5 years |

Land and water areas are not depreciated.

*5.3 Right-of-use assets*

| 2023<br>EUR million | Land and water areas | Buildings and structures | Telecom devices, machinery and equipment | Total |
|---|---|---|---|---|
| Acquisition cost at 1 Jan. | 17.2 | 143.6 | 20.9 | **181.7** |
| Additions | 1.8 | 17.7 | 3.8 | **23.3** |
| Business disposals | | –0.9 | –0.1 | **–1.0** |
| Disposals | | –0.5 | | **–0.5** |
| Reclassifications | –0.2 | –24.2 | –9.9 | **–34.3** |
| Translation differences | | 0.0 | 0.0 | **0.0** |
| Acquisition cost at 31 Dec. | 18.7 | 135.7 | 14.7 | **169.1** |
| | | | | |
| Accumulated depreciation and impairment at 1 Jan. | 4.0 | 72.2 | 15.1 | **91.3** |
| Depreciation and impairment | 1.2 | 21.5 | 2.9 | **25.6** |
| Accumulated depreciation on disposals and reclassifications | –0.2 | –24.2 | –9.9 | **–34.3** |
| Accumulated depreciation on business disposals | | –0.7 | –0.1 | **–0.7** |
| Translation differences | | 0.0 | 0.0 | **0.0** |
| Accumulated depreciation and impairment at 31 Dec. | 4.9 | 68.9 | 8.0 | **81.8** |
| | | | | |
| B/S Book value at 1 Jan. | 13.2 | 71.4 | 5.9 | **90.4** |
| B/S Book value at 31 Dec. | 13.8 | 66.8 | 6.7 | **87.3** |

| 2022<br>EUR million | Land and water areas | Buildings and structures | Telecom devices, machinery and equipment | Total |
|---|---|---|---|---|
| Acquisition cost at 1 Jan. | 15.5 | 129.1 | 130.3 | 274.9 |
| Business acquisitions | | 0.0 | | 0.0 |
| Additions | 1.6 | 20.6 | 3.3 | 25.5 |
| Disposals | | –1.6 | | –1.6 |
| Reclassifications | | –4.3 | –112.6 | –117.0 |
| Translation differences | | –0.2 | 0.0 | –0.2 |
| Acquisition cost at 31 Dec. | 17.2 | 143.6 | 20.9 | 181.7 |
| | | | | |
| Accumulated depreciation and impairment at 1 Jan. | 2.9 | 56.3 | 124.7 | 183.9 |
| Depreciation and impairment | 1.1 | 20.3 | 3.0 | 24.4 |
| Accumulated depreciation on disposals and reclassifications | | –4.3 | –112.6 | –117.0 |
| Translation differences | | –0.1 | 0.0 | –0.1 |
| Accumulated depreciation and impairment at 31 Dec. | 4.0 | 72.2 | 15.1 | 91.3 |
| | | | | |
| B/S Book value at 1 Jan. | 12.6 | 72.8 | 5.5 | 91.0 |
| B/S Book value at 31 Dec. | 13.2 | 71.4 | 5.9 | 90.4 |

On 31 December 2023, the lease commitments for lease contracts commencing in the future in accordance with IFRS 16 were EUR 2.8 (0.1) million.

*Accounting principles – Right-of-use assets:*

A lease contract is a contract or a part of a contract that conveys the right to use the underlying asset for a specified period in exchange for consideration. When a new contract is made, Elisa assesses whether the contract in question is a lease contract or contains a lease contract.

The Group's leases mainly consist of leases for business premises, telecom and equipment premises, retail facilities and vehicles. Last-mile rentals from other operators and indefeasible right to use (IRU) contracts mainly do not fulfil the definition of a lease.

The right-of-use assets and lease liabilities recognised on the balance sheet are measured at the present value of future lease payments at the time of initial recognition. The lease payments are discounted using industry-specific interest rates considering the length of the lease contracts. The depreciation costs of the right-of-use assets and the interest portion of the lease liabilities are expensed. The depreciation of right-of-use assets is recorded on a straight-line basis starting at the commencement of the agreement over the useful life of the right-of-use asset or over the lease period, depending on which of these is shorter.

The right-of-use asset is adjusted in certain cases with remeasurements of the lease liability. Lease liabilities are mainly remeasured when future payments change due to index or interest rate changes or when the Group's assessment of using a possible extension option changes. When a lease liability is remeasured, the book value of the right-of-use asset is usually adjusted accordingly.

Short-term and low-value leases are recognised in the income statement and presented as off-balance sheet commitments. Leases with a lease term of 12 months or less are classed as short-term leases, and leases for which the underlying asset is of low value are classed as low-value leases. Rental expenses for short-term and low-value leases are described under Note 8.4 (Off-balance sheet leases and other commitments).

The Group separates the service components included in the lease agreements of business premises, retail facilities and vehicles and recognises their share as an expense in the income statement.

*5.4 Intangible assets*

| **2023 EUR million** | **Goodwill** | **Customer base** | **Other intangible assets** | **Intangible assets under construction** | **Total** |
|---|---|---|---|---|---|
| Acquisition cost at 1 Jan. | 1,178.4 | 44.3 | 906.4 | 19.0 | **2,148.1** |
| Additions | | | 51.5 [1] | 10.0 | **61.6** |
| Disposals | | | –1.4 | | **–1.4** |
| Business disposals | | | –7.9 | –0.1 | **–8.0** |
| Reclassifications | | | 13.1 | –14.1 | **–1.0** |
| Translation differences | –0.1 | 0.0 | 0.0 | | **0.0** |
| Acquisition cost at 31 Dec. | 1,178.4 | 44.3 | 961.8 | 14.8 | **2,199.3** |
| | | | | | |
| Accumulated amortisation and impairment at 1 Jan. | 21.1 | 38.3 | 720.8 | | **780.2** |
| Amortisation and impairment | | 2.6 | 57.6 | | **60.2** |
| Accumulated amortisation on disposal and reclassifications | | | –1.3 | | **–1.3** |
| Accumulated amortisation on business disposals | | | –7.4 | | **–7.4** |
| Translation differences | 0.1 | 0.0 | 0.0 | | **0.1** |
| Accumulated amortisation and impairment at 31 Dec. | 21.2 | 40.9 | 769.7 | | **831.8** |
| | | | | | |
| Book value at 1 Jan. | 1,157.3 | 6.0 | 185.5 | 19.0 | **1,367.9** |
| Book value at 31 Dec. | 1,157.2 | 3.4 | 192.1 [3] | 14.8 | **1,367.5** |

| **2022 EUR million** | **Goodwill** | **Customer base** | **Other intangible assets** | **Intangible assets under construction** | **Total** |
|---|---|---|---|---|---|
| Acquisition cost at 1 Jan. | 1,160.6 | 45.0 | 845.1 | 13.4 | 2,064.1 |
| Business acquisitions | 22.5 | | 2.1 | | 24.6 |
| Additions | | | 51.4 [2] | 12.5 | 63.9 |
| Disposals | | | –0.2 | | –0.2 |
| Business disposals | | | 0.0 | | 0.0 |
| Reclassifications | | | 8.0 | –6.9 | 1.1 |
| Translation differences | –4.7 | –0.7 | 0.0 | | –5.4 |
| Acquisition cost at 31 Dec. | 1,178.4 | 44.3 | 906.4 | 19.0 | 2,148.1 |
| | | | | | |
| Accumulated amortisation and impairment at 1 Jan. | 21.2 | 34.5 | 670.9 | | 726.7 |
| Amortisation and impairment | | 4.3 | 53.9 | | 58.2 |
| Accumulated amortisation on business acquisitions | | | 0.1 | | 0.1 |
| Accumulated amortisation on disposals and reclassifications | | | –4.0 | | –4.0 |
| Accumulated amortisation on business disposals | | | 0.0 | | 0.0 |
| Translation differences | –0.1 | –0.5 | 0.0 | | –0.7 |
| Accumulated amortisation and impairment at 31 Dec. | 21.1 | 38.3 | 720.8 | | 780.2 |
| | | | | | |
| Book value at 1 Jan. | 1,139.4 | 10.5 | 174.2 | 13.4 | 1,337.5 |
| Book value at 31 Dec. | 1,157.3 | 6.0 | 185.5 [3] | 19.0 | 1,367.9 |

[1] Includes Estonian 26 GHz spectrum licence in a carrying amount of EUR 1.63 million.

[2] Includes Estonian 3,5 GHz spectrum licence in a carrying amount of EUR 7.2 million and 2x10 MHz spectrum licence in carryng amount of EUR 2.11 million.

[3] Includes software in carrying amount of EUR 96.8 (89.6) million.

*Accounting principles – Intangible assets:*

An intangible asset is recognised only if it is probable that the expected future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent costs related to the intangible assets are capitalised only if the future economic benefits that will flow to the Group exceed the level of performance originally assessed. In other cases, the costs are recognised when the expense is incurred.

In connection with the business combinations, intangible assets, such as customer base and brand, are measured at fair value. Other intangible assets are measured at original acquisition cost and amortised on a straight-line basis over their estimated useful life.

Amortisation periods for intangible assets:

| | |
|---|---|
| Customer base | 3–5 years |
| Brand | 10 years |
| Development expenses | 3 years |
| IT software | 5 years |
| Other intangible assets | 3–10 years |

Research costs are recorded as expenses in the income statement. Development expenses capitalised from the date the product is technically feasible, it can be utilised commercially and the asset is expected to generate future economic benefit. Otherwise, development costs are recorded as an expense. Development costs initially recognised as expenses cannot be capitalised subsequently.

Public grants related to research and development projects are recognised as other operating income when research and development costs are recognised as an annual expense. If the public grant relates to the product development cost to be capitalised, the grant received reduces the capitalised acquisition costs.

Implementation costs of a SaaS arrangement are generally recognised as an expense and capitalised as an intangible asset only if the capitalisation conditions are met.

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such evidence exists, the recoverable amount of the asset is assessed. Additionally, regardless of any existence of impairment indications, the recoverable amount of intangible assets under construction is assessed annually. The Group does not have any intangible assets with an indefinite useful life.

The recoverable amount of the asset is its fair value less the cost of disposal or its value in use, if it is higher. Value in use is the discounted present value of future net cash flows expected to be derived from an asset. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. An impairment loss is recognised immediately in the income statement. An impairment loss is reversed if there are indications that a change in circumstances has taken place and the recoverable amount of the asset has changed since the impairment loss was recognised. However, the reversal of an impairment loss will never exceed the carrying amount of the asset had no impairment loss been recognised.

### 5.4.1 Goodwill

**Goodwill is allocated to the Group's cash generating units as follows:**

| EUR million | 2023 | 2022 |
|---|---|---|
| Consumer Customers | **641.0** | 641.0 |
| Corporate Customers | **516.2** | 516.3 |
| B/S | **1,157.2** | 1,157.3 |

The reported operating segments based on Elisa's organisational and management structure are Consumer Customers and Corporate Customers.

**Impairment testing:**
In annual impairment tests, the recoverable amount of the segments is determined based on the value in use, which is calculated on the basis of projected discounted cash flows (DCF model). Covering a five-year period, the cash flow projections are based on plans approved by the management. The projections are mostly consistent with information from external sources and reflect actual development. The discount rate before taxes that is used is 6.9 per cent for the Consumer Customers and 6.8 per cent for the Corporate Customers. (6.6 per cent for both segments in comparison period). Cash flows after five years have been projected by estimating the change in future cash flows as 2 per cent growth.

As a result of the impairment tests performed, there was no need for impairment of the segments' goodwill.

Usage of the DCF model requires forecasts and assumptions concerning market growth, prices, volume development, investment needs and general interest rates. The major sensitivities in the performance are associated with forecast revenue and profitability levels.

**Sensitivity analysis**

| Projection parameters applied | Consumer Customers 2023 | Corporate Customers 2023 | Consumer Customers 2022 | Corporate Customers 2022 |
|---|---|---|---|---|
| Amount in excess of CGU carrying value, EUR million | **5,478** | **2,847** | 5,446 | 2,452 |
| EBITDA margin on average, % [1] | **39.1** | **28.9** | 38.5 | 30.0 |
| Horizon growth, % | **2.0** | **2.0** | 2.0 | 2.0 |
| Pre-tax discount rate, % | **6.9** | **6.8** | 6.6 | 6.6 |

[1] On average during a five-year projection period.

| Change in projection parameters that makes the fair value equal to book value | Consumer Customers 2023 | Corporate Customers 2023 | Consumer Customers 2022 | Corporate Customers 2022 |
|---|---|---|---|---|
| EBITDA margin on average, % | **–18.1** | **–13.8** | –18.8 | –13.3 |
| Horizon growth, % | **–30.6** | **–29.4** | –28.9 | –22.8 |
| Pre-tax discount rate, % | **17.1** | **16.4** | 17.3 | 15.3 |

*Accounting principles – Goodwill:*

Goodwill arising from business combinations prior to 2004 is accounted for in accordance with the previous financial statements regulations, and the book value is the assumed acquisition cost in accordance with IFRS. Business combinations incurred between 1 January 2004 and 31 December 2009 have been accounted for in accordance with IFRS 3 (2004). Goodwill arising from business combinations incurred after 1 January 2010 represents the excess of the consideration transferred over the Group's interest in the net fair value of the identifiable net assets acquired and the amount of non-controlling interest, and in a business combination achieved in stages, the acquisition-date fair value of the equity interest.

Goodwill is not amortised. Goodwill is tested for impairment annually, or more frequently if there is any indication of a potential impairment. For the purpose of impairment testing, goodwill is allocated to the cash-generating units (CGUs) – Consumer Customers and Corporate Customers. Goodwill is carried at its cost less any accumulated impairment losses.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. An impairment loss is recognised immediately in the income statement. If an impairment loss is allocated to a CGU, it is first allocated to reduce the carrying amount of any goodwill allocated to the CGU, and then to the other assets of the unit on a pro rata basis. An impairment loss recognised for goodwill is never reversed under any circumstances.

*Accounting policies that require management's judgement – Goodwill impairment testing:*

The recoverable amount of cash-generating units is determined by calculations based on value in use, the preparation of which requires estimates and assumptions. The main uncertainties are associated with the estimated levels of revenue and profitability and the discount rate. Any changes may lead to the recognition of impairment losses.

## 6 Inventories, trade and other receivables, trade and other liabilities

### *6.1 Inventories*

| EUR million | 2023 | 2022 |
|---|---|---|
| Materials and supplies | **25.2** | 33.2 |
| Finished goods | **51.9** | 62.4 |
| B/S | **77.1** | 95.5 |

An impairment on inventories of EUR 1.1 (0.4) million was recognised during the financial period.

### *6.2 Trade and other receivables*

#### 6.2.1 Current receivables

| EUR million | 2023 | 2022 |
|---|---|---|
| Trade receivables | **441,5** | 421,9 |
| Impaired trade receivables | **–6,1** | –4,7 |
| Contract assets related to revenue | **3,8** | 2,0 |
| Contract assets related to costs | **5,8** | 5,7 |
| Accrued income | **75,2** | 79,8 |
| Finance lease receivables | **17,2** | 16,5 |
| Loan receivables | **0,1** | 0,1 |
| Receivables from associated companies | **7,0** | 0,1 |
| Other receivables | **11,4** | 15,6 |
| B/S | **555,8** | 537,1 |

Accrued income includes interest receivables as well as income and cost accruals from the operating activities.

*Aging of trade receivables*

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| EUR million | Nominal value | Impairment | Carrying amount | Nominal value | Impairment | Carrying amount |
| Not past due | **394.9** | **0.0** | **394.9** | 374.9 | 0.0 | 374.9 |
| Past due | | | | | | |
| Past due less than 30 days | **28.2** | **–0.2** | **28.1** | 32.8 | –0.2 | 32.6 |
| Past due 31–60 days | **5.9** | **–0.7** | **5.2** | 5.1 | –0.4 | 4.7 |
| Past due 61–90 days | **3.0** | **–0.7** | **2.4** | 3.0 | –0.5 | 2.5 |
| Past due 91–180 days | **3.1** | **–1.8** | **1.3** | 2.7 | –1.7 | 1.0 |
| Past due more than 181 days | **6.4** | **–2.8** | **3.6** | 3.4 | –1.9 | 1.5 |
| | **441.5** | **–6.1** | **435.5** | 421.9 | –4.7 | 417.2 |

The book value of trade receivables approximates their fair value. The credit risk associated with trade receivables is described in note 7.1. The maximum exposure to credit risk is the carrying amount of the trade receivables on the closing date: EUR 435.5 million.

#### 6.2.2 Non-current receivables

| EUR million | 2023 | 2022 |
|---|---|---|
| Loan receivables | **0.0** | 0.0 |
| Trade receivables | **94.7** | 99.4 |
| Receivables from associated companies | **4.2** | |
| Finance lease receivables | **5.7** | 12.7 |
| Accrued income | **1.3** | 2.4 |
| Non-current derivatives | **1.0** | 1.2 |
| Other non-current receivables | **1.1** | 1.1 |
| B/S | **107.9** | 116.8 |

The effective interest rate on receivables (current and non-current) was 0.00 (0.00) per cent.

**Gross finance lease receivables – maturity of minimum lease receivables**

| EUR million | 2023 | 2022 |
|---|---|---|
| Within one year | **17.4** | 17.0 |
| Later than one year, not later than five years | **5.7** | 13.1 |
| | **23.1** | 30.1 |
| Future finance income | **-0.2** | –0.8 |
| **Present value of finance lease receivables** | **22.9** | 29.3 |

**Maturity of present value of future minimum lease receivables**

| EUR million | 2023 | 2022 |
|---|---|---|
| Within one year | **17.2** | 16.5 |
| Later than one year, not later than five years | **5.7** | 12.7 |
| | **22.9** | 29.3 |

Lease periods vary from one to five years, and conditions vary in terms of index clauses.

### *6.3 Trade and other liabilities*

| EUR million | 2023 | 2022 |
|---|---|---|
| **Non-current** | | |
| Trade payables [1] | | 1.4 |
| Advances received | **4.8** | 4.3 |
| Derivative instruments | | 0.0 |
| Other liabilities [2] | **14.6** | 24.6 |
| B/S | **19.4** | 30.3 |
| | | |
| **Current** | | |
| Trade payables [1] | **191.2** | 199.0 |
| Advances received | **11.0** | 10.3 |
| Contract liabilities, from revenue | **34.7** | 30.8 |
| Accrued employee-related expenses | **62.0** | 64.9 |
| Other accruals | **11.1** | 8.0 |
| Liabilities to associated companies | **0.5** | 0.0 |
| Other liabilities [2] | **92.2** | 99.9 |
| B/S | **402.5** | 412.9 |
| | **421.9** | 443.2 |

[1] Comparable year 2022 includes non-current trade payables of EUR 1.4 million for the 26 GHz spectrum licence. Current trade payables include liabilities of EUR 0.0 (5.3) million for the 3540–3670 MHz spectrum licence and EUR 1.4 (1.4) million for the 26 GHz spectrum licence.

[2] Other non-current liabilities include EUR 8.7 (18.1) million and other current liabilities include EUR 1.1 (6.9) million of contingent considerations and contingent redemption obligations for non-controlling interests related to business acquisitions.

Other accruals consist of accrued interest expenses as well as income and cost accruals from the operating activities.

*Accounting principles – Inventories, trade and other receivables, trade and other liabilities:*

**Inventories:**
Inventories are measured at their acquisition cost or at the net realisable value, if lower than the cost. In the ordinary course of business, net realisable value is the estimated selling price less estimated necessary costs associated with the eventual sale. The cost is determined using a weighted average price.

**Receivables:**
Receivables are valued at amortised cost and recognised at the original invoiced amount. The Group records the provision for the impairment losses arising from trade receivables based on historical default rates over the expected life and recognises the impairment loss when the trade receivables are stated as lost. The impairment loss is adjusted by the amount of factored receivables.

Trade receivables and other receivables are classified as non-current receivables if they mature in more than 12 months. In other cases, they are classified as current receivables.

The Group offers consumer customers various payment methods, granting the possibility to purchase equipment on 12–36 months’ credit. At the time of the sale of the equipment, such transactions are recorded as revenue and trade receivables. The trade receivables are classified as non-current if their maturity exceeds 12 months.

**Finance lease receivables:**
The Group acts as a lessor in the lease arrangements for videoconferencing and data terminal equipment, which is accounted for as finance leases. At the time of the sale of the equipment, the proceeds is recorded as revenue and receivables at present value. Rental income received are recorded as financial income and a reduction of the receivables, reflecting a constant periodic rate of return on the net investment.

**Trade payables:**
The current value of trade payables and other liabilities is a reasonable estimate of their fair value. The payment terms of the Group’s trade payables correspond to conventional corporate payment terms.

# 7 Capital structure

## *7.1 Financial risk management*

Elisa’s central treasury department manages the exchange rate, interest rate, liquidity and refinancing risks for the entire Group. The financing policies, covering funding and investment principles, are annually discussed and ratified by the Audit Committee of the Board of Directors. Funding risks are monitored as a part of the regular business monitoring procedure.

### 7.1.1 Market risks

### Interest rate risk

Elisa is exposed to interest rate risk mainly through its financial liabilities. In order to manage the interest rate risk, the Group’s borrowings and investments are diversified into fixed- and variable-rate instruments. Derivative financial instruments may also be used in managing the interest rate risk. The purpose is to minimise the negative effects caused by changes in the interest rate level.

**Timing of interest rate changes for interest-bearing financial liabilities (EUR million) 31 Dec. 2023, at nominal value**

| Time of interest rate change | Less than 1 year | Between 1 and 5 years | Over 5 years | Total |
|---|---|---|---|---|
| Variable-rate financing instruments | | | | |
| Commercial paper | 34.5 | | | 34.5 |
| Bank loans | 100.0 | | | 100.0 |
| Fixed-rate financing instruments | | | | |
| Bonds | 248.0 | 600.0 | 300.0 | 1,148.0 |
| Bank loans | | | 3.0 | 3.0 |
| Lease liabilities | 20.8 | 27.4 | 40.4 | 88.6 |
| | 403.3 | 627.4 | 343.4 | 1,374.2 |

On 31 December 2023, the Group’s interest-bearing financial assets consisted of commercial papers and bank deposits amounting to EUR 0.0 million and cash in the bank amounting to EUR 63.4 million.

Lease contracts contain index-linkages, which affect the amounts of lease liabilities, right-of-use assets and depreciation.

The sensitivity analysis includes the financial liabilities at the balance sheet date. The change in interest rate level is assumed to be one percentage point, and the effect on income is calculated before taxes. The interest rate position is assumed to include interest-bearing financial liabilities and receivables, as well as interest rate swaps on the balance sheet date, assuming that all the contracts will be valid and stay unchanged for the entire year.

| EUR million | 2023 | 2022 |
|---|---|---|
| Change in interest rate level +/- 1% | **–1.35/1.35** | –2.25/2.25 |

### Foreign exchange risk

Most of Elisa Group’s cash flows are denominated in euros, which means that the company’s exposure to exchange rate risk (economic risk and transaction risk) is low. Business-related exchange rate risks arise from Polystar Osix Ab and its subsidiaries, international interconnection traffic and, to a minor extent, other acquisitions. The most essential currencies are the US dollar (USD), Swedish krona (SEK), Canadian dollar (CAD), British pound (GBP) and Norwegian krone (NOK). The impact of other currencies is insignificant.

During the financial year, exchange rate hedges have been used against changes in the value of the Swedish krona and US dollar. The Group has hedged Swedish krona- and US dollar-denominated expenses with foreign currency forward contracts. The Group’s financial liabilities do not include exchange rate risk.

The translation difference exposure from the foreign subsidiaries included in consolidated equity mainly consists of the Elisa Polystar subgroup. The translation difference exposure has not been hedged during the reporting period.

| Foreign currency position | 2023 | | 2022 | |
|---|---|---|---|---|
| EUR million | Trade receivables | Trade payables | Trade receivables | Trade payables |
| USD | **10.1** | **5.8** | 13.0 | 7.6 |
| SEK | **4.0** | **0.2** | 4.0 | 0.9 |
| CAD | **2.5** | **0.0** | 3.8 | 0.0 |
| GBP | **0.4** | **0.7** | 1.0 | 0.3 |
| NOK | **0.3** | **0.0** | 0.4 | 0.0 |

The Group-level currency exposure is the basis for the sensitivity analysis of foreign exchange risk. If the euro were to appreciate or depreciate by 20 per cent against all other currencies, the impact on cash flows would be:

| EUR million | 2023 | 2022 |
|---|---|---|
| USD | **+/- 0.9** | +/- 1.1 |
| SEK | **+/- 0.8** | +/- 0.6 |
| CAD | **+/- 0.5** | +/- 0.7 |
| GBP | **-/+ 0.0** | +/- 0.2 |
| NOK | **+/- 0.1** | +/- 0.1 |

### Commodity risks

Elisa is investing strongly in the use of renewable energy and has signed a wind power purchase agreement for the Puutikankangas wind farm. The agreement is valid until March 2033 and it covers about half of the electricity consumption of Elisa's mobile network in Finland.

Elisa hedges electricity purchases with physical purchase contracts and derivatives. The electricity price risk is assessed for a five-year period. Hedge accounting is applied to contracts hedging future purchases. The effective portion of derivatives that qualify for hedge accounting is recognised in the revaluation reserve of equity, and the ineffective portion is recognised in the income statement under other operating income or expenses. The change in the revaluation reserve, recognised in equity, is presented in the statement of comprehensive income under "Cash flow hedge".

At the end of the year, the ineffective portion of hedge accounting was EUR 0.0 (0.0) million.

| Hedging rate for purchases in the following years, % | 2023 | 2022 |
|---|---|---|
| 0–1 years | **93.1** | 86.6 |
| 1–2 years | **77.4** | 60.1 |
| 2–3 years | **38.8** | 38.9 |
| 3–4 years | **42.3** | 37.8 |
| 4–5 years | **41.1** | 36.7 |

If the market price of electricity derivatives changed by +/- 10 per cent from the balance sheet date 31 December 2023, it would contribute EUR +0,4/–0,4 (+0,6/–0,6) million to equity. The impact has been calculated before tax.

### 7.1.2 Liquidity risk

The objective of liquidity risk management is to ensure the Group's financing under all circumstances. The Group's most important financing arrangement is an EMTN programme of EUR 1,500 million, under which the Company issued bonds for EUR 1,148 million. 20 September 2023 Elisa issued a EUR 300 million Green Bond under the programme. The proceeds from the Green Bond will be earmarked specifically for Eligible Projects and Assets as set out in Elisa's Sustainability Finance Framework. On 26 September 2023, Elisa announced that it has purchased its bonds due in March 2024 in the amount of EUR 51.97 million.

Furthermore, the Company has a EUR 350 million commercial paper programme and committed credit limit of EUR 300 million, out of which a EUR 130 million credit limit will fall due on 22 September 2028, and EUR 170 million will fall due on 17 May 2028. Both credit lines were fully undrawn on 31 December 2023. The loan margin is determined based on the Company's credit rating.

Elisa has issued EUR 100 million of short-term financing under the credit facility, which was arranged by Landesbank Baden-Württemberg. The limit is non-committed and is valid until further notice. The limit was fully undrawn on 31 December 2023.

As part of ensuring its financing, Elisa has acquired international credit ratings. Moody's Investor Services have rated Elisa's long-term commitments as Baa2 (outlook stable). S&P Global has rated the company's long-term commitments as BBB+ (outlook stable) and short-term commitments as A–2.

**Cash and undrawn committed limits**

| EUR million | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents | **63.4** | 85.4 |
| Credit limits | **300.0** | 300.0 |
| | **363.4** | 385.4 |

On 31 December 2023, cash and cash equivalents, as well as undrawn committed credit limits less commercial papers issued by Elisa, were EUR 328.9 (260.4) million.

Contract-based cash flows for financial liabilities are presented under Note 7.4.2

**7.1.3 Credit risk**

Financial instruments contain an element of risk of the respective parties failing to fulfil their obligations. Liquid assets are invested within confirmed limits in investment targets with good credit ratings. Investments and the limits specified for them are reviewed annually, or more often, if necessary. Derivative contracts are only signed with Finnish and foreign banks with good credit ratings.

The business units are liable for credit risk associated with trade receivables. The units have written credit policies that are mainly consistent with uniform principles. The credit ratings of new customers are always reviewed from external sources when selling products or services invoiced in arrears. In the case of additional sales to existing customers, creditworthiness is reviewed on the basis of the company’s own accounts. The Group may also collect advance or guarantee payments in accordance with its credit policy.

Credit risk concentrations in trade receivables are minor, as the Group’s customer base is wide; the ten largest customers represent approximately 7 per cent of customer invoicing. EUR 6.1 (4.7) million of uncertain receivables have been deducted from consolidated trade receivables. The Group’s previous experience in the collection of trade receivables corresponds to the recognised impairment. Furthermore, the Group regularly sells past-due trade receivables from defined customer groups. Based on these facts, the management is confident that the Group’s trade receivables do not involve any substantial credit risk. The maximum credit risk is the value of the trade receivables. On 31 December 2023, short-term trade receivables were EUR 435.5 (417.2) million and long-term trade receivables EUR 94.7 (99.4) million. The aging of short-term trade receivables is described in note 6.2.1.

## *7.2 Capital management*

Elisa's capital consists of equity and liabilities. To develop its business, Elisa may carry out expansion investments and acquisitions, which may be financed through equity or liabilities, directly or indirectly.

The target for the company's equity ratio is over 35 per cent and for comparable net debt / EBITDA 1.5 to 2.0.

The company's distribution of profit to shareholders consists of dividends, capital repayment and acquisition of treasury shares. Effective profit distribution is 80–100 per cent of profit for the period. Furthermore, additional profit distribution to the shareholders may occur. When proposing or deciding on the profit distribution, the Board takes into account the company's financial position, future financing needs, and set financial objectives.

### 7.2.1 Capital structure and key indicators

| EUR million | 2023 | 2022 |
|---|---|---|
| Interest-bearing net debt | **1,304.1** | 1,275.8 |
| B/S Total equity | **1,293.7** | 1,251.9 |
| Total capital | **2,597.7** | 2,527.7 |
| | | |
| Gearing ratio, % | **100.8** | 101.9 |
| Net debt / EBITDA | **1.7** | 1.7 |
| Equity ratio, % | **41.6** | 40.6 |

### 7.2.2 Available sources of financing

With regard to capital financing, the company's objective is to maintain sufficient flexibility for the Board of Directors to issue shares. The Annual General Meeting 2023 authorised the Board of Directors to pass a resolution concerning the share issue, right of assignment of treasury shares and/or granting of special rights referred to in the Limited Liability Companies Act. The authorisation entitles the Board of Directors to issue the shares in a proportion other than that of the current shareholdings (directed share issue). A maximum aggregate of 15 million of the company's shares can be issued under the authorisation.

| Shareholders' equity | 2023 | 2022 |
|---|---|---|
| Treasury shares, 000s | **6,947** | 7,075 |
| Share issue authorisation, 000s | **14,999** | 15,000 |

On 31 December 2023, the maximum amount of the share issue authorisation at the share closing price was EUR 628.0 (741.9) million.

With regard to capital financing, the company maintains loan programmes and credit arrangements that allow quick issuance. The arrangements are committed and non-committed, and allow issuances for different maturities.

| Debt capital | 2023 | 2022 |
|---|---|---|
| Commercial paper programme (non-committed) [1] | **315.5** | 225.0 |
| Credit facility (non-committed) | **100.0** | 100.0 |
| Revolving credits (committed) [2] | **300.0** | 300.0 |
| EMTN programme (non-committed) [3] | **352.0** | 600.0 |
| Total, EUR million | **1,067.5** | 1,225.0 |

On the closing date, the share issue authorisation as well as committed and non-committed credit arrangements totalled EUR 1,695.5 (1,966.9) million.

1) The commercial paper programme amounted to EUR 350 million, of which EUR 34.5 million was in use on 31 December 2023.

2) Elisa has two committed revolving credit facilities of EUR 300 million in total. Both credit facilities were undrawn on 31 December 2023.

3) Elisa has a European Medium Term Note programme (EMTN) for a total of EUR 1,500 million, of which EUR 1,148 million was in use on 31 December 2023. The programme was updated on 19 July 2023, and it is valid for one year as of the update.

## *7.3 Equity*

### 7.3.1 Share capital and treasury shares

| EUR million | Number of shares, 000s | Share capital | Treasury shares |
|---|---|---|---|
| 1 Jan. 2022 | 167,335 | 83.0 | –126.1 |
| Disposal of treasury shares | | | 1.6 |
| B/S 31 Dec. 2022 | 167,335 | 83.0 | –124.5 |
| Disposal of treasury shares | | | 2.8 |
| B/S 31 Dec. 2023 | 167,335 | 83.0 | –121.7 |

At the end of the reporting period, the company's paid-in share capital registered in the Trade Register was EUR 83,033,008 (83,033,008).

According to its Articles of Association, Elisa Corporation has only one series of shares, each share entitling to one vote. All issued shares have been paid for. Shares do not have a nominal value.

Treasury shares include the acquisition cost of treasury shares held by the Group, and they are deducted from shareholder's equity in the consolidated financial statements.

| Treasury shares | Number of shares | Accounting countervalue, EUR | Holding, % of shares and votes |
|---|---|---|---|
| Treasury shares held by the Group at 1 Jan. 2022 | 7,147,772 | 3,546,782 | 4.27 |
| Disposal of treasury shares | –72,394 | | |
| Treasury shares held by the Group at 31 Dec. 2022 | 7,075,378 | 3,510,859 | 4.23 |
| Disposal of treasury shares | –128,724 | | |
| Treasury shares held by the Group at 31 Dec. 2023 | 6,946,654 | 3,446,986 | 4.15 |

### 7.3.2 Dividends

The Annual General Meeting has proposed a total dividend of EUR 2.25 per share to be paid for the 2023 result. A dividend of EUR 2.15 per share was paid for the 2022 result.

### 7.3.3 Other reserves

| EUR million | Reserve for invested non-restricted equity | Contingency reserve | Fair value reserve | Other reserves | Total |
|---|---|---|---|---|---|
| 1 Jan. 2022 | 90.9 | 3.4 | –10.6 | 381.0 | 464.7 |
| Cash flow hedge | | | –0.3 | | –0.3 |
| Remeasurements of the net defined benefit liability | | | 0.4 | | 0.4 |
| B/S 31 Dec. 2022 | 90.9 | 3.4 | –10.5 | 381.0 | 464.8 |
| Cash flow hedge | | | –0.1 | | –0.1 |
| Remeasurements of the net defined benefit liability | | | 1.2 | | 1.2 |
| B/S 31 Dec. 2023 | 90.9 | 3.4 | –9.4 | 381.0 | 465.9 |

The reserve for invested non-restricted equity includes the proportion of share subscription prices that was not recognised as share capital in accordance with the share issue terms.

The contingency reserve includes the amount transferred from distributable equity under the Articles of Association or by a decision of the General Meeting.

The fair value reserve includes changes in the fair value of other investments, the remeasurements of the net defined benefit liability and the effective portion of the changes in the fair values of derivatives designated as cash flow hedges.

Other reserves were formed through share issues in business acquisitions by the amount exceeding the par value of the share received by the Company.

## *7.4 Financial assets and liabilities*

### 7.4.1 Financial income and expenses

| EUR million | 2023 | 2022 |
|---|---|---|
| **Financial income** | | |
| Dividend income from other financial assets | **0.5** | 0.4 |
| Interest and financial income from loans and other receivables | **4.7** | 2.2 |
| Gain on disposal of financial assets | **0.2** | 0.1 |
| Foreign exchange gain | **2.1** | 2.8 |
| Other financial income | **1.2** | 0.0 |
| I/S | **8.7** | 5.6 |
| | | |
| **Financial expenses** | | |
| Interest expenses on financial liabilities measured at amortised cost | **–24.3** | –11.1 |
| Interest expenses on lease liabilities | **–3.3** | –2.6 |
| Other financial expenses on financial liabilities measured at amortised cost | **–2.1** | –2.0 |
| Other interest expenses | **–0.1** | –0.2 |
| Impairments | **–0.1** | –0.2 |
| Loss on disposal of financial assets | **–0.3** | –0.2 |
| Foreign exchange loss | **–1.9** | –2.2 |
| Other financial expenses | **0.0** | –0.3 |
| I/S | **–32.0** | –18.7 |

*Accounting principles – Financial income and expenses:*

Interest income and expenses are recognised using the effective interest rate method, and dividend income is recognised when the right to dividend is incurred.

Foreign exchange rate gains and losses are recognised in accordance with their nature either in materials and services or in financial income and expenses.

### 7.4.2 Financial liabilities

| | 2023 | | 2022 | |
|---|---|---|---|---|
| EUR million | Balance sheet values | Fair values | Balance sheet values | Fair values |
| **Non-current** | | | | |
| Bonds | **893.7** | **870.5** | 891.8 | 819.9 |
| Bank loans | **103.0** | **103.0** | 103.2 | 103.2 |
| Lease liabilities | **67.8** | **67.8** | 70.8 | 70.8 |
| B/S | **1,064.5** | **1,041.4** | 1,065.9 | 994.0 |
| | | | | |
| **Current** | | | | |
| Bonds | **247.7** | **246.5** | | |
| Bank loans | **0.0** | **0.0** | 150.0 | 150.0 |
| Lease liabilities | **20.8** | **20.8** | 20.4 | 20.4 |
| Commercial paper | **34.5** | **34.5** | 125.0 | 125.0 |
| B/S | **303.0** | **301.8** | 295.4 | 295.4 |
| | **1,367.5** | **1,343.2** | 1,361.2 | 1,289.3 |

The financial liabilities include a total of EUR 88.6 (91.2) million of secured lease liabilities. In practice, lease liabilities are secured liabilities, as the rights to the leased property will revert to the lessor if the payments are neglected.

Material parts of the financial liabilities are denominated in euros. Financial liabilities are measured at amortised cost. The fair values of financial liabilities are based on quoted market prices.

The average maturity of non-current liabilities was 2.8 (2.7) years, and the effective average interest rate was 2.0 (1.0) per cent.

**Contract-based cash flows on the repayment of financial liabilities and costs**

| 2023<br>EUR million | 2024 | 2025 | 2026 | 2027 | 2028 | 2029– | Total |
|---|---|---|---|---|---|---|---|
| Bonds | 258.3 | 16.1 | 316.1 | 312.8 | 12.0 | 312.0 | 1,227.3 |
| Financial costs | 10.3 | 16.1 | 16.1 | 12.8 | 12.0 | 12.0 | 79.3 |
| Repayments | 248.0 | 0.0 | 300.0 | 300.0 | 0.0 | 300.0 | 1,148.0 |
| Bank loans | 4.7 | 104.7 | 0.2 | 0.2 | 0.2 | 2.1 | 112.1 |
| Financial costs | 4.5 | 4.4 | 0.0 | 0.0 | 0.0 | 0.1 | 9.1 |
| Repayments | 0.3 | 100.3 | 0.2 | 0.2 | 0.2 | 1.9 | 103.0 |
| Commercial paper | 34.5 | | | | | | 34.5 |
| Financial costs | 0.6 | | | | | | 0.6 |
| Repayments | 33.9 | | | | | | 33.9 |
| Lease liabilities | 24.4 | 19.7 | 12.9 | 6.6 | 4.5 | 68.5 | 136.6 |
| Financial costs | 3.6 | 7.0 | 5.0 | 2.5 | 1.7 | 28.1 | 47.9 |
| Repayments | 20.8 | 12.7 | 7.8 | 4.1 | 2.8 | 40.4 | 88.6 |
| Derivatives | –0.9 | –0.2 | | | | | –1.1 |
| Electricity derivatives | –0.8 | –0.2 | | | | | –1.0 |
| Currency derivatives | –0.1 | | | | | | –0.1 |
| Contingent considerations | 1.1 | | | | | | 1.1 |
| Trade payables | 191.2 | | | | | | 191.2 |
| Total | **513.3** | **140.4** | **329.2** | **319.5** | **16.7** | **382.5** | **1,701.7** |
| Financial costs | **18.0** | **27.4** | **21.2** | **15.3** | **13.7** | **40.2** | **135.8** |
| Repayments | **495.3** | **113.0** | **308.0** | **304.2** | **3.0** | **342.3** | **1,565.9** |

| 2022<br>EUR million | 2023 | 2024 | 2025 | 2026 | 2027 | 2028– | Total |
|---|---|---|---|---|---|---|---|
| Bonds | 6.8 | 306.8 | 4.1 | 304.1 | 300.8 | | 922.5 |
| Financial costs | 6.8 | 6.8 | 4.1 | 4.1 | 0.8 | | 22.5 |
| Repayments | 0.0 | 300.0 | 0.0 | 300.0 | 300.0 | | 900.0 |
| Bank loans | 153.9 | 3.3 | 103.3 | 0.2 | 0.2 | 2.3 | 263.2 |
| Financial costs | 3.7 | 3.0 | 3.0 | 0.0 | 0.0 | 0.2 | 9.9 |
| Repayments | 150.3 | 0.3 | 100.2 | 0.2 | 0.2 | 2.1 | 253.2 |
| Commercial paper | 125.0 | | | | | | 125.0 |
| Financial costs | 0.5 | | | | | | 0.5 |
| Repayments | 124.5 | | | | | | 124.5 |
| Lease liabilities | 23.4 | 17.8 | 14.2 | 9.8 | 5.3 | 66.0 | 136.5 |
| Financial costs | 3.1 | 5.8 | 5.0 | 3.8 | 2.0 | 25.6 | 45.2 |
| Repayments | 20.4 | 11.9 | 9.2 | 6.0 | 3.3 | 40.4 | 91.2 |
| Derivatives | –1.1 | | | | | | –1.1 |
| Electricity derivatives | –1.2 | | | | | | –1.2 |
| Currency derivatives | 0.0 | | | | | | 0.0 |
| Contingent considerations | 4.3 | 0.5 | | | | | 4.9 |
| Trade payables | 199.0 | | | | | | 199.0 |
| Total | 511.3 | 328.3 | 121.6 | 314.1 | 306.3 | 68.3 | 1,649.9 |
| Financial costs | 12.8 | 15.6 | 12.2 | 7.9 | 2.7 | 25.8 | 77.0 |
| Repayments | 498.5 | 312.7 | 109.4 | 306.2 | 303.5 | 42.5 | 1,572.9 |

Future financial costs of variable-rate financial liabilities have been calculated at the interest rate prevailing on the period end date.

The company has EUR 300 million in credit facilities. Both EUR 130 million and EUR 170 million credit facilities mature in 2028 and were fully undrawn on 31 December 2023.

*Bonds*

In the framework of its bond programme, the parent company has issued the following bonds:

| | 31 Dec. 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Fair value EUR million | Balance sheet value EUR million | Nominal value EUR million | Nominal interest rate, % | Effective interest rate, % | Maturity date |
| EMTN programme 2001 / EUR 1,000 million | | | | | | |
| I/2017 | 246.5 | 247.7 | 248.0 | 0.875 | 0.974 | 17.3.2024 |
| I/2019 | 287.8 | 297.3 | 300.0 | 1.125 | 1.236 | 26.2.2026 |
| I/2020 | 272.0 | 298.6 | 300.0 | 0.250 | 0.322 | 15.9.2027 |
| I/2023 | 310.7 | 297.7 | 300.0 | 4.000 | 4.092 | 27.1.2029 |
| | 1,117.1 | 1,141.3 | 1,148.0 | | | |

The fair value of bonds is based on market quotes.

**Maturity of lease liabilities' cash flows**

| EUR million | 2023 | 2022 |
|---|---|---|
| Within one year | **20.8** | 20.4 |
| Later than one year, but not later than five years | **27.4** | 30.5 |
| Later than five years | **40.4** | 40.4 |
| | **88.6** | 91.2 |

### 7.4.3 Financial assets and liabilities recognised at fair value

**Carrying amounts of financial assets and liabilities by category**

| 2023<br>EUR million | Financial assets/liabilities measured at fair value through profit or loss | Financial assets/liabilities measured at fair value through other comprehensive income | Financial assets/liabilities measured at amortised cost | Book values | Fair values | Note |
|---|---|---|---|---|---|---|
| Non-current financial assets | | | | | | |
| Other financial assets [1] | 0.6 | | 15.4 | 16.0 | 16.0 | |
| Trade and other receivables | | 1.0 | 106.9 | 107.9 | 107.9 | 6.2.2 |
| Current financial assets | | | | | | |
| Trade and other receivables | | | 555.8 | 555.8 | 555.8 | 6.2.1 |
| | 0.6 | 1.0 | 678.1 | 679.7 | 679.7 | |
| Non-current financial liabilities | | | | | | |
| Financial liabilities | | | 1,064.5 | 1,064.5 | 1,041.4 | 7.4.2 |
| Trade and other liabilities [2] | | | 14.6 | 14.6 | 14.6 | 6.3 |
| Current financial liabilities | | | | | | |
| Financial liabilities | | | 303.0 | 303.0 | 301.8 | 7.4.2 |
| Trade and other liabilities [2] | 1.1 | | 390.4 | 391.5 | 391.5 | 6.3 |
| | 1.1 | | 1,772.5 | 1,773.6 | 1,749.3 | |

| 2022<br>EUR million | Financial assets/liabilities measured at fair value through profit or loss | Financial assets/liabilities measured at fair value through other comprehensive income | Financial assets/liabilities measured at amortised cost | Book values | Fair values | Note |
|---|---|---|---|---|---|---|
| Non-current financial assets | | | | | | |
| Other financial assets [1] | 0.6 | | 15.6 | 16.2 | 16.2 | |
| Trade and other receivables | | 1.2 | 115.6 | 116.8 | 116.8 | 6.2.2 |
| Current financial assets | | | | | | |
| Trade and other receivables | | | 537.1 | 537.1 | 537.1 | 6.2.1 |
| | 0.6 | 1.2 | 668.3 | 670.1 | 670.1 | |
| Non-current financial liabilities | | | | | | |
| Financial liabilities | | | 1,065.9 | 1,065.9 | 994.0 | 7.4.2 |
| Trade and other liabilities [2] | 4.6 | 0.0 | 21.4 | 26.0 | 26.0 | 6.3 |
| Current financial liabilities | | | | | | |
| Financial liabilities | | | 295.4 | 295.4 | 295.4 | 7.4.2 |
| Trade and other liabilities [2] | 0.3 | | 402.3 | 402.6 | 402.6 | 6.3 |
| | 4.9 | 0.0 | 1,785.0 | 1,789.9 | 1,718.0 | |

[1] Other investments contain the Group’s listed and unlisted equity investments

[2] Excluding advances received

The fair values of financial asset and liability items are presented in detail under the specified note number.

*Financial assets and liabilities recognised at fair value*

| EUR million | 2023 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Financial assets and liabilities measured at fair value through other comprehensive income | | | | |
| Electricity derivatives | **1.0** | | 1.0 | |
| Currency derivatives | **0.1** | | 0.1 | |
| Financial assets and liabilities measured at fair value through profit or loss | | | | |
| Listed equity investments | **0.6** | 0.6 | | |
| Contingent considerations in business combinations | **–1.1** | | | –1.1 |
| | **0.5** | 0.6 | 1.0 | –1.1 |

| EUR million | 2022 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Financial assets and liabilities measured at fair value through other comprehensive income | | | | |
| Electricity derivatives | 1.2 | | 1.2 | |
| Currency derivatives | 0.0 | | 0.0 | |
| Financial assets and liabilities measured at fair value through profit or loss | | | | |
| Listed equity investments | 0.6 | 0.6 | | |
| Contingent considerations in business combinations | –4.9 | | | –4.9 |
| | –3.1 | 0.6 | 1.1 | –4.9 |

Items measured at fair value are categorised using a three-level value hierarchy. Level 1 includes financial instruments with quoted prices in active markets, such are listed shares owned by the Group. Level 2 includes instruments with observable prices based on market data, such are electricity and currency derivatives. Level 3 includes instruments with prices that are not based on observable market data, but instead, on the company's internal information, such are Group's contingent considerations relating to business combinations.

**Level 3 reconciliation**

**Contingent considerations related to business acquisitions**

| EUR million | 2023 | 2022 |
|---|---|---|
| At the beginning of the period | **4.9** | 3.3 |
| Increase in contingent consideration | **0.6** | 1.7 |
| Payment of contingent consideration | **–4.2** | –0.1 |
| Release of unused contingent consideration | **–0.1** | |
| Translation differences | **0.0** | 0.0 |
| At the end of the period | **1.1** | 4.9 |

According to the management's estimation for the financial instruments valued at Level 3, replacing one or more of the pieces of fair value measurement data with a possible alternative assumption would not significantly change the fair value of the items, considering the small total amount of underlying liabilities.

### 7.4.4 Derivative instruments

**Nominal values of derivatives**

| EUR million | 2023 Period of validity Less than 1 year | 2023 1–5 years | 2023 Over 5 years | 2022 Period of validity Less than 1 year | 2022 1–5 years | 2022 Over 5 years |
|---|---|---|---|---|---|---|
| Electricity derivatives | **3.5** | | | 5.8 | | |
| Currency derivatives | **3.3** | | | 3.3 | | |
| | **6.8** | | | 9.1 | | |

**Fair values of derivatives**

| EUR million | 2023 Positive fair value | 2023 Negative fair value | 2023 Total | 2022 Positive fair value | 2022 Negative fair value | 2022 Total |
|---|---|---|---|---|---|---|
| Electricity derivatives | **1.0** | | **1.0** | 1.2 | | 1.2 |
| Currency derivatives | **0.1** | | **0.1** | | 0.0 | 0.0 |
| | **1.0** | | **1.0** | 1.2 | 0.0 | 1.1 |

*Determination of fair value and categorisation*

The fair value of derivative instruments is determined using quoted prices in active markets.
The Group recognises the derivative instruments at the fair value hierarchy Level 2. Please see note 7.4.3.

*Accounting principles – Derivative instruments:*

Derivatives are recognised at fair value as financial assets or liabilities on the date of acquisition. Gains and losses arising from the fair value remeasurements are recognised in accordance with the nature of the derivative contracts. Outstanding derivatives that do not qualify for hedge accounting are measured at fair value at the end of the reporting period, and the fair value changes are immediately recognised in financial items on the income statement. The fair value of derivatives is expected to approximate the quoted market prices or, if the quoted market prices are not available, the value is estimated using commonly used valuation methods.

The Group applies hedge accounting for electricity price risk and the Swedish krona, and treats electricity derivative contracts as cash flow hedges. The change in fair value of effective portion of derivatives that qualify for hedge accounting is recognised in other comprehensive income and presented in the equity hedge revaluation reserve (as a part of "Other reserves"). Gains or losses on derivative instruments accumulated in equity are expensed when any hedged item affects profit or loss. The ineffective portion of the derivatives is recognised in other operating income and expenses on the income statement. The hedge accounting is discontinued when the hedge contract is expired, sold, terminated or completed. Any cumulative gain or loss arising from the hedge instrument remains in equity until the expected transaction is realised.

*Accounting principles – Financial assets and liabilities:*

**Financial assets:**
Acquisition and sale of financial assets are recognised on the settlement date. The Group derecognises financial assets when its contractual rights to the cash flows from the financial asset expire or when it has transferred substantially all the risks and rewards to an external party.

Cash and cash equivalents include cash at hand and bank deposits as well as highly liquid short-term investments with maturities of up to three months.

Investments in shares, excluding investments in associated companies and mutual real-estate companies, are classified as other financial assets and generally measured at fair value. Investments in unlisted companies are recognised at original acquisition cost less any impairment. Investments in listed companies are measured at fair value, based on share transactions. Equity investments are included in non-current assets. On 31 December 2023, the Group's equity investments consisted mainly of investments in unlisted companies.

**Financial liabilities:**
Financial liabilities are initially recognised at fair value equalling the net proceeds received and subsequently measured at amortised cost, using the effective interest rate method. The transaction costs are included in the original acquisition cost of financial liabilities. Financial liabilities are recognised in non-current and current liabilities, and they may be non-interest-bearing or interest-bearing.

In cases where the terms of the financial liability measured at amortised cost are amended in such a way that the change does not result in derecognition of the liability from the balance sheet, the Group must nevertheless recognise the profit or loss in the income statement. The profit or loss is calculated as the difference between the original contractual cash flows and the cash equivalents, discounted at the original effective interest rate of amended agreements.

**Lease liabilities:**
Lease liabilities are initially measured at the present value of future lease payments. The estimated lease term includes the non-cancellable period of the lease together with periods covered by termination and extension options, if exercise of these options is reasonably certain. The company has discounted the future lease payments using the borrowing rate based on the duration of the estimated lease term. The lease liability is initially measured using the actual value of an index at the commencement date. The lease liabilities are remeasured if the changes are reflected in the cash flow or if the Group reassesses whether it is reasonably certain to exercise a possible option.

**Classification of assets and liabilities:**
The Group's financial assets and liabilities are classified as financial assets and liabilities measured at amortised cost, financial assets and liabilities measured at fair value through other comprehensive income, and financial assets and liabilities measured at fair value through profit or loss. Financial assets and liabilities measured at amortised cost include fixed-term contracts the cash flow of which include payments of principal and interest on the principal amount outstanding. Financial assets and liabilities measured at fair value through other comprehensive income include financial items that are expected both to collect contractual cash flows and to sell financial assets/liabilities. Financial assets and liabilities measured at fair value through profit or loss include items that do not meet the criteria of the other groups.

The Group categorises electricity and currency derivatives that qualify for hedge accounting as financial assets or liabilities measured at fair value through other comprehensive income. Contingent considerations in business combinations and listed equity investments are recognised as financial assets or liabilities measured at fair value through profit or loss. Other financial assets and liabilities are measured at amortised cost.

# 8 Other notes

## *8.1 Taxes*

### 8.1.1 Income taxes

| EUR million | 2023 | 2022 |
|---|---|---|
| Taxes for the period | **–82.7** | –83.0 |
| Taxes for previous periods | **0.0** | –0.1 |
| Deferred taxes | **–1.4** | –0.2 |
| I/S | **–84.1** | –83.2 |

Income taxes recognised directly in comprehensive income:

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| EUR million | Before taxes | Tax effect | After taxes | Before taxes | Tax effect | After taxes |
| Remeasurements of the net defined benefit liability | **1.5** | **–0.3** | **1.2** | 0.5 | –0.1 | 0.4 |
| Cash flow hedge | **–0.1** | **0.0** | **–0.1** | –0.4 | 0.1 | –0.3 |
| | **1.5** | **–0.3** | **1.2** | 0.0 | 0.0 | 0.0 |

Translation differences do not include a tax effect.

**Reconciliation of the tax expense on the income statement and taxes calculated at the Group's domestic statutory tax rate 20 (20):**

| EUR million | 2023 | 2022 |
|---|---|---|
| I/S Profit before tax | **458.1** | 456.0 |
| Tax according to the domestic tax rate | **–91.6** | –91.2 |
| Tax effects of the following: | | |
| Tax-free income | **0.1** | 0.2 |
| Non-deductible expenses | **–1.8** | –0.7 |
| Tax effect related to the foreign subsidiaries | **11.0** | 10.3 |
| Usage of tax losses, for which no deferred tax was recognised | **0.7** | 0.2 |
| Loss for the period, for which no deferred tax asset is recognised | **–2.4** | –1.6 |
| Taxes for previous periods | **0.0** | –0.1 |
| Other items | **0.0** | –0.4 |
| I/S Taxes on the income statement | **–84.1** | –83.2 |
| Effective tax rate, % | **18.4** | 18.2 |

*Accounting principles – Income taxes for the period and deferred taxes:*

Taxes recognised on the income statement include current and deferred taxes. Income taxes for the financial year are calculated on the net profit for the period at the current tax rate and are adjusted by taxes for the prior periods.

Deferred taxes are recognised from temporary differences arising between the tax bases of assets and liabilities and their carrying values. Please refer to note 8.1.2 for details.

The global minimum tax regulation (OECD's pillar 2) that enters into force in 2024 will apply to Elisa, which has begun analysing the impact of the regulation. As Elisa mainly operates in countries with local tax rates above the 15 percent minimum rate, no significant top-up taxes are expected to be paid. Elisa's Estonian subsidiaries are subject to a profit distribution tax system, whereby corporate tax is only levied on the distribution of profits at a tax rate not lower than the minimum tax rate. The deferred profit distribution tax will be recognised based on the taxable income of the Estonian subsidiaries, and the regulation requires that the profit distribution tax will be realised within the next four financial years. No deferred tax has been recognised on the results of the Estonian subsidiaries for the financial year 2023, totalling EUR 54.9 million.

The reporting period as well as prior reporting periods may be subject to a tax audit, which may subsequently result in a change in tax decisions, additional tax payments or refunds.

### 8.1.2 Deferred tax assets and liabilities

#### Change in deferred tax assets and liabilities during 2023

| Deferred tax assets<br>EUR million | 1 Jan. 2023 | Recognised on the income statement | Recognised on consolidated statement of comprehensive income | Translation differences | 31 Dec. 2023 |
|---|---|---|---|---|---|
| Lease liabilities | 17.3 | –0.9 | | | **16.4** |
| Right-of-use assets | –15.6 | 1.0 | | | **–14.6** |
| Lease contracts total | 1.7 | 0.1 | | | **1.8** |
| Internal margins | 2.8 | –0.4 | | | **2.4** |
| Share-based incentive plans | 3.9 | –0.3 | | | **3.6** |
| Pension obligations | 2.8 | –0.4 | –0.3 | | **2.1** |
| Provisions | 0.8 | 0.2 | | | **1.0** |
| Confirmed losses | 0.3 | –0.3 | | | **0.0** |
| Other temporary differences | 0.8 | –0.2 | 0.0 | 0.0 | **0.6** |
| B/S | 13.1 | –1.3 | –0.3 | 0.0 | **11.5** |

| Deferred tax liabilities<br>EUR million | 1 Jan. 2023 | Recognised on the income statement | Business disposals | Translation differences | 31 Dec. 2023 |
|---|---|---|---|---|---|
| Fair value measurement of tangible and intangible assets in business combinations | 3.0 | –1.0 | | 0.0 | **2.0** |
| Accumulated depreciation differences | 17.4 | 0.6 | | | **18.0** |
| Finance lease agreements | 1.3 | 0.7 | –1.1 | | **0.9** |
| Customer contracts | 1.8 | –0.1 | | | **1.7** |
| Bonds | 0.7 | –0.2 | | | **0.5** |
| Other temporary differences | 1.6 | 0.0 | | | **1.6** |
| B/S | 25.7 | 0.1 | –1.1 | 0.0 | **24.7** |

Deferred income tax assets recognised for tax losses are carried forward to the extent that the realisation of the related tax benefit through future profits is probable. On 31 December 2023, the Group had no deferred tax assets recognised for confirmed tax losses. At the end of the reporting period, the Group had EUR 20.1 (18.8) million of unused tax losses for which no tax assets have been recognised.

#### Change in deferred tax assets and liabilities during 2022

| Deferred tax assets<br>EUR million | 1 Jan. 2022 | Recognised on the income statement | Recognised on consolidated statement of comprehensive income | Translation differences | 31 Dec. 2022 |
|---|---|---|---|---|---|
| Lease liabilities | 17.3 | –0.1 | | | 17.3 |
| Right-of-use assets | –15.7 | 0.1 | | | –15.6 |
| Lease contracts total | 1.6 | 0.1 | | | 1.7 |
| Internal margins | 2.8 | 0.0 | | | 2.8 |
| Share-based incentive plans | 3.0 | 0.9 | | | 3.9 |
| Pension obligations | 3.0 | –0.1 | –0.1 | | 2.8 |
| Provisions | 1.2 | –0.4 | | | 0.8 |
| Confirmed losses | 0.7 | –0.4 | | | 0.3 |
| Other temporary differences | 0.9 | –0.2 | 0.1 | 0.0 | 0.8 |
| B/S | 13.1 | 0.0 | 0.0 | 0.0 | 13.1 |

| Deferred tax liabilities<br>EUR million | 1 Jan. 2022 | Recognised on the income statement | Business combinations | Translation differences | 31 Dec. 2022 |
|---|---|---|---|---|---|
| Fair value measurement of tangible and intangible assets in business combinations | 3.9 | –1.2 | 0.4 | 0.0 | 3.0 |
| Accumulated depreciation differences | 16.4 | 1.0 | | | 17.4 |
| Finance lease contracts | 0.6 | 0.7 | | | 1.3 |
| Customer contracts | 1.9 | –0.1 | | | 1.8 |
| Bonds | 0.8 | –0.1 | | | 0.7 |
| Other temporary differences | 1.6 | –0.1 | | | 1.6 |
| B/S | 25.3 | 0.1 | 0.4 | 0.0 | 25.7 |

*Accounting principles – Deferred tax assets and liabilities:*

Deferred taxes are recognised for all temporary differences arising between the carrying amount and the tax base, with the exception of situations where a deferred tax asset or liabilty arises from initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, does not affect either the accounting or the taxable profit, and does not give rise to equal taxable and deductible temporary differences. No deferred tax is recognised on valuation differences of shares for which the sales profit would be tax-deductible.

Leases are typically transactions in which equal taxable and deductible temporary differences arises on initial recognition of the asset and liability. Elisa recognise the tax arising from this difference as an expense or income and presents it as deferred tax receivables in balance sheet.

Deferred tax assets are recognised only to the extent that it is probable that they can be utilised against future taxable income. Deferred tax liabilities are recognised on the balance sheet in total, with the exception for Estonian subsidiaries, where no tax liability has been recognised for the untaxed retained earnings EUR 251.8 million, as no profit distribution decision or plans for profit distribution exist for the time being.

Deferred tax liabilities and assets are not offset.

*Accounting policies that require management’s judgement – Deferred tax assets:*

Particularly at the end of each financial period, the Group assesses the probability of subsidiaries generating taxable income against which unused tax losses can be utilised. The appropriateness of recognising other deferred tax assets is also determined at the end of each financial period. Changes in the estimates may lead to the recognition of significant tax expenses.

## *8.2 Provisions*

| EUR million | Termination benefits | Other | Total |
|---|---|---|---|
| 1 Jan. 2022 | 4.3 | 1.7 | 5.9 |
| Increase in provisions | 2.0 | | 2.0 |
| Utilised provisions | –3.8 | | –3.8 |
| Release of unused provisions | –0.5 | | –0.5 |
| 31 Dec. 2022 | 2.0 | 1.7 | 3.7 |
| | | | |
| Increase in provisions | 4.4 | | 4.4 |
| Utilised provisions | –3.3 | | –3.3 |
| Release of unused provisions | –0.3 | | –0.3 |
| 31 Dec. 2023 | 2.8 | 1.7 | 4.5 |

| EUR million | 2023 | 2022 |
|---|---|---|
| B/S Long-term provisions | **3.4** | 2.9 |
| B/S Short-term provisions | **1.0** | 0.8 |
| | **4.5** | 3.7 |

### *Termination benefits*

As a part of the Group’s rationalisation, Elisa carried out statutory employee negotiations leading to personnel reductions in 2023. The restructuring provision includes provisions for both unemployment pensions and other expenses due to redundancies. The provisions associated with redundancies will be realised during 2024–2027, and the provision associated with unemployment pensions will be realised in 2024–2025.

### *Other provisions*

Other provisions include environmental provisions made for telephone poles.

### *Accounting principles – Provisions and contingent liabilities:*

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Contingent liabilities are potential liabilities arising from past events that may occur depending on the outcome of uncertain future events that are beyond the control of the Group. Also, a present obligation that is unlikely to require settlement of a payment obligation or the amount of which cannot be reliably measured is a contingent liability. Contingent liabilities are not recognised in the statement of financial position. Contingent liabilities are presented in note 8.4.

*8.3 Related party details*

The Group's related parties include the parent company, subsidiaries, associates and joint ventures. The related parties also include Elisa's Board of Directors, the CEO, the Executive Board as well as entities controlled by them and close members of their family.

**Transactions carried out with related parties:**

| 2023<br>EUR million | Revenue | Purchases | Receivables | Liabilities |
|---|---|---|---|---|
| Associates | **0.7** | **0.9** | **11.6** | **0.5** |
| **2022**<br>**EUR million** | | | | |
| Associates | 0.5 | 1.0 | 0.6 | 0.0 |

The employee benefits of the Group's related parties are presented in Note 4.1.

**8.3.1 Group companies**

The parent company of the Group is Elisa Corporation.

| Subsidiaries | Domicile | Group's ownership, % |
|---|---|---|
| Banana Fingers Limited | Bristol, UK | 100 |
| Digiset Oy | Helsinki, Finland | 100 |
| Elisa IndustriQ Oy | Helsinki, Finland | 100 |
| Elisa camLine Holding GmbH | Petershausen, Germany | 100 |
| camLine GmbH | Petershausen, Germany | 100 |
| camLine Solutions S.r.l. | Iași, Romania | 100 |
| camLine USA Inc. | Atlanta GA, USA | 100 |
| camLine Hungary Kft. | Szombathely, Hungary | 60 |
| camLine Pte. Ltd. | Singapore, Singapore | 100 |
| camLine Taiwan | New Taipei City, Taiwan | 100 |
| camLine sdn. Bhd. | Bayan Lepas, Malaysia | 100 |
| PT Elisa camLine Indonesia | Surabaya, Indonesia | 100 |
| Suzhou camLine Technology Co. Ltd | Suzhou, China | 100 |
| TenForce NV | Leuven, Belgium | 50 |
| TenForce USA LLC | Houston TX, USA | 50 |
| Process Data Control Corporation | Arlington TX, USA | 50 |
| Elisa Deutschland GmbH | Petershausen, Germany | 100 |
| Elisa Finance Oü | Tallinn, Estonia | 100 |
| Elisa France SAS | Les Sorinieres, France | 100 |
| Elisa Santa Monica Oy | Helsinki, Finland | 100 |
| Elisa Eesti AS | Tallinn, Estonia | 100 |
| Elistar AB | Stockholm, Sweden | 100 |
| Elisa Polystar Finland Oy | Helsinki, Finland | 100 |
| Cardinality Ltd | Guildford, England | 100 |
| Cardinality SP. z.o.o. | Lublin, Poland | 100 |
| Frinx s.r.o. | Bratislava, Slovakia | 100 |
| Polystar Egypt LLC | Cairo, Egypt | 100 |
| Polystar Instruments Canada Inc. | Toronto, Canada | 100 |
| Polystar Instruments Inc. | Frisco TX, USA | 100 |
| Polystar Osix AB | Stockholm, Sweden | 100 |
| Polystar Asia Private Ltd. | Singapore, Singapore | 100 |
| Polystar Australia Pty | Sydney, Australia | 100 |
| P-OSS Solutions S.L.U. | Bilbao, Spain | 100 |
| Enia Oy | Helsinki, Finland | 100 |
| Epic TV SAS | Sallanches, France | 100 |
| Fenix Solutions Oy | Turku, Finland | 100 |
| Fonum Oy | Helsinki, Finland | 100 |
| Karelsat Oy | Joensuu, Finland | 100 |
| Kepit Systems Oy | Vaasa, Finland | 70 |
| Kiinteistö Oy Raision Luolasto | Espoo, Finland | 100 |
| Kiinteistö Oy Rinnetorppa | Kuusamo, Finland | 100 |
| Kiinteistö Oy Tapiolan Luolasto | Espoo, Finland | 100 |
| LNS Kommunikation AB | Stockholm, Sweden | 100 |
| Preminet Oy | Helsinki, Finland | 100 |
| Sutaria Services Inc. | Murphy TX, USA | 100 |
| Watson Nordic Oy | Vaasa, Finland | 100 |
| **Joint arrangements** | | |
| Kiinteistö Oy Brahenkartano | Turku, Finland | 60 |

Significant changes in ownership of subsidiaries are presented in note 3. Other changes in group structure is described below.

On 13 April 2023, camLine Dresden merged with camLine GmbH and on 1 June 2023 LE-Kuitu Oy merged with Elisa Oyj.

Elisa Hong Kong Limited, Cardinality Inc, Frinx Corporation and Polystar Ryssland LLC were liquidated in December 2023.

*Accounting principles – Consolidation principles, subsidiaries:*

The consolidated financial statements include the parent company, Elisa Corporation, and those subsidiaries over which the Group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date the Group obtains control and divested companies until the loss of control. The acquisition method is used in the accounting for the elimination of internal ownership. All intra-group transactions, gains on the sale of inventories and fixed assets, intra-group receivables, payables and dividends are eliminated.

Profit for the period attributable to the equity holders of the parent and non-controlling interests is presented separately in the consolidated income statement. Non-controlling interests are presented separately from the equity of the owners of the parent in the consolidated statement of financial position. Losses of subsidiaries are allocated to non-controlling interests even if they exceed their share of ownership.

*Accounting principles – Consolidation principles, joint arrangements:*

Joint arrangements are arrangements over which the Group exercises joint control with one or more parties. A joint arrangement is either a joint venture or a joint operation. A joint venture is a joint arrangement, where the Group has rights to the net assets of the arrangement. A joint operation is a joint arrangement where the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

The only joint arrangement owned by the Group, Kiinteistö Oy Brahenkartano, is a joint operation, which is consolidated using the proportional consolidation method. Sixty per cent of the assets, liabilities, income and expenses of the joint operation are consolidated to the Group’s financial statements. The company owns and manages a building and a site in Turku. Elisa is mainly entitled to manage office and telecom facilities with the shares owned.

### 8.3.2 Investments in associated companies

**Aggregated financial information of associates**

| EUR million | 2023 | 2022 |
|---|---|---|
| I/S Group's share of associated companies' profit | **–0.4** | –0.7 |
| B/S Group's investments in associated companies | **20.8** | 9.9 |

| EUR million | 2023 | 2022 |
|---|---|---|
| Balance at the beginning of the period | **9.9** | 10.6 |
| Additions [1] | **11.5** | 0.0 |
| Reclassifications | **–0.2** | 0.0 |
| Share of profits for the period | **–0.4** | –0.7 |
| Dividends received | **0.0** | 0.0 |
| Impairment | **–0.1** | |
| B/S Balance at the end of the period | **20.8** | 9.9 |

[1] The businesses of Elisa Corporation's subsidiary Elisa Videra and the German company MVC Mobile Video Communication GmbH (owned by KLP Vermögensverwaltungs GmbH) was combined into MVC on 20 December 2023. After combination Elisa has 37.5% holding of MVC Mobile Video Communication GmbH and Elisa became a minority shareholder of the company. The transaction was conducted as a share swap and acquistion price for the shares was EUR 11.4 million.

| Associates | Domicile | Group's ownership,% |
|---|---|---|
| FNE-Finland Oy | Kontiolahti, Finland | 45.9 |
| Kiinteistö Oy Helsingin Sentnerikuja 6 | Helsinki, Finland | 50.0 |
| Kiinteistö Oy Herrainmäen Luolasto | Tampere, Finland | 50.0 |
| Kiinteistö Oy Helsingin Lauttasaarentie 19 | Helsinki, Finland | 41.7 |
| Kiinteistö Oy Pohjanplassi | Lapua, Finland | 39.3 |
| Kiinteistö Oy Riihimäen Maisterinkatu 9 | Riihimäki, Finland | 37.0 |
| Kiinteistö Oy Runeberginkatu 43 | Helsinki, Finland | 29.6 |
| Kiinteistö Oy Helsingin Stenbäckinkatu 5 | Helsinki, Finland | 40.0 |
| MVC Mobile Video Communication GmbH | Kronberg im Taunus, Germany | 37.5 |
| sedApta Group | Milan, Italy | 19.0 |
| Suomen Numerot NUMPAC Oy | Helsinki, Finland | 33.3 |
| Tele Scope Oy | Espoo, Finland | 22.0 |
| KE-Masto Oy | Kajaani, Finland | 49.5 |

*Accounting principles – Consolidation principles, associated companies*

Associated companies are entities over which the Group exercises significant influence. Significant influence is presumed to exist when the Group owns over 20 per cent of the voting rights of the company or when the Group otherwise exercises significant influence, but does not exercise control. Associated companies are consolidated in accordance with equity method. If the Group's share of losses of an associated company exceeds its interest in the associated company, the investment is recognised on the balance sheet at zero value and the Group discontinues recognising its share of further losses unless the Group has other obligations for the associated company. Associated companies are consolidated from the date the Group obtains significant influence and divested associated companies are consolidated until the loss of significant influence.

## *8.4 Off-balance sheet leases and other commitments*

### *Leases*

**Group as a lessee**

**Lease payments related to off-balance sheet lease commitments:**

| EUR million | 2023 | 2022 |
|---|---|---|
| Lease payments associated with short-term leases | **34.9** | 31.9 |
| Lease payments associated with low-value assets | **14.2** | 4.6 |
| | **49.1** | 36.5 |

**Future minimum lease payments under non-cancellable off-balance sheet leases:**

| EUR million | 2023 | 2022 |
|---|---|---|
| Within one year | **14.4** | 13.2 |
| Later than one year, but not later than five years | **5.1** | 4.3 |
| Later than five years | **1.4** | 1.0 |
| | **20.9** | 18.4 |

Lease payments are presented without value added tax.

**Group as a lessor**

**Future minimum lease receivables under non-cancellable operating leases:**

| EUR million | 2023 | 2022 |
|---|---|---|
| Within one year | **3.0** | 3.6 |
| Later than one year, but not later than five years | **0.4** | 0.7 |
| | **3.5** | 4.3 |

*Accounting principles – Leases:*

**The group as a lessee**
The Group recognises rental expenses for short-term leases and low-value assets in the income statements and presents such contracts as off-balance sheet liabilities.

**The group as a lessor**
The Group acts as a lessor in two different types of lease arrangements that are accounted for as operating leases: rental income from telecom premises and carrier services is recognised as revenue over the lease period, and rental income from real estate is recognised as other operating income. The lease contract periods are mainly short with durations of 1–6 months.

Rental income is recognised over the lease period.

### *Collateral, commitments and other liabilities*

| EUR million | 2023 | 2022 |
|---|---|---|
| On behalf of own commitments | | |
| Mortgages | **3.8** | 3.8 |
| Guarantees | **0.8** | 0.6 |
| Deposits | **0.5** | 0.6 |
| On behalf of others | | |
| Guarantees | **0.5** | 0.3 |
| | **5.6** | 5.2 |
| Other contractual obligations | | |
| Venture capital investment obligation | **0.2** | 0.5 |
| | **0.2** | 0.5 |

**Real estate investments**
VAT refund liability for real estate investments indicates the amount that may become completely non tax-deductible if the intended use of the property was to change.

On 31 December 2023, the VAT refund liability for real estate investments was EUR 39.7 (36.1) million.

### *8.5 Events after the end of the reporting period*

On 16 January 2024, Elisa Oyj and Moontalk Oy signed an agreement under which Elisa takes a majority holding of Moontalk. The deal is currently awaiting approval from the competition authority as well as other conditions typical for the completion of a business transaction. The deal will strengthen Elisa's application development expertise, especially in developing SaaS-based applications.

On 25 January 2024, the Shareholders' Nomination Board announced its proposal to Elisa's Board for the notice of the Annual General Meeting of 12 April 2024 that the number of members of the Board of Directors would be eight (8). The Nomination Board proposes that Mr Maher Chebbo, Mr Kim Ignatius, Ms Katariina Kravi, Ms Pia Kåll, Ms Eva-Lotta Sjöstedt, Mr Anssi Vanjoki and Mr Antti Vasara be re-elected. The Nomination Board further proposes that Mr Christoph Vitzthum is elected as a new member of the Board. The Nomination Board proposes that Mr Anssi Vanjoki be elected as the Chair of the Board and Ms Katariina Kravi be elected as the Vice Chair. All the proposed Board Members are considered to be independent of the company and of its significant shareholders.

## 9 Key Indicators

The key indicator tables are unaudited.

### *9.1 Key indicators describing the Group's financial development*

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | |
| Revenue, EUR million | **2,180** | 2,130 | 1,998 | 1,895 | 1,844 |
| Change of revenue, % | **2.4** | 6.6 | 5.5 | 2.8 | 0.7 |
| EBITDA, EUR million | **756** | 733 | 697 | 685 | 661 |
| EBITDA as % of revenue | **34.7** | 34.4 | 34.9 | 36.2 | 35.8 |
| EBIT, EUR million | **482** | 470 | 431 | 409 | 395 |
| EBIT as % of revenue | **22.1** | 22.1 | 21.6 | 21.6 | 21.4 |
| Profit before tax, EUR million | **458** | 456 | 418 | 398 | 372 |
| Profit before tax as % of revenue | **21.0** | 21.4 | 20.9 | 21.0 | 20.2 |
| Return on equity (ROE), % | **29.4** | 30.4 | 28.8 | 28.1 | 26.6 |
| Return on investment (ROI), % | **18.5** | 18.3 | 16.9 | 16.7 | 17.2 |
| Research and development costs, EUR million | **24** | 21 | 16 | 10 | 8 |
| Research and development costs as % of revenue | **1.1** | 1.0 | 0.8 | 0.5 | 0.4 |
| **BALANCE SHEET** | | | | | |
| Gearing ratio, % | **100.8** | 101.9 | 101.2 | 101.9 | 103.0 |
| Current ratio | **1.0** | 1.0 | 1.4 | 1.3 | 1.2 |
| Equity ratio, % | **41.6** | 40.6 | 39.9 | 39.1 | 41.0 |
| Non-interest-bearing liabilities, EUR million | **463** | 488 | 491 | 430 | 428 |
| Interest-bearing net debt | **1,304** | 1,276 | 1,219 | 1,207 | 1,184 |
| Balance sheet total, EUR million | **3,125** | 3,101 | 3,028 | 3,041 | 2,814 |
| **INVESTMENTS** | | | | | |
| Investments in shares and business combinations, EUR million | **12** | 25 | 28 | 70 | 83 |
| **CAPITAL EXPENDITURE** | | | | | |
| Gross investments, EUR million | **321** | 290 | 265 | 266 | 256 |
| Gross investments as % of revenue | **14.7** | 13.6 | 13.3 | 14.1 | 13.9 |
| **PERSONNEL** | | | | | |
| Average number of employees during the period | **5,721** | 5,523 | 5,391 | 5,097 | 4,882 |
| Revenue/employee, EUR 1,000 | **381** | 386 | 371 | 372 | 378 |

The order book is not presented, as the information is not relevant due to the nature of the Group's business.

### *Formulae for financial summary indicators*

| | | |
|---|---|---|
| EBITDA | EBIT + depreciation, amortisation and impairment | |
| EBIT | Profit for the period + income taxes + financial income and expenses + share of associated companies' profit | |
| Return on equity (ROE),% | Profit for the period / Total shareholders' equity on average | X 100 |
| Return on investment (ROI),% | Profit before taxes + interest and other financial expenses / Total equity + interest-bearing liabilities on average | X 100 |
| Gearing ratio,% | Interest-bearing liabilities - cash and cash equivalents and financial assets at fair value through profit or loss / Total shareholders' equity | X 100 |
| Current ratio | Current assets / Current liabilities - advance payments received | |
| Equity ratio,% | Total shareholders' equity / Balance sheet total - advance payments received | X 100 |

### *9.2 Alternative performance measures* [1]

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | |
| Comparable EBITDA, EUR million | **756** | 735 | 706 | 685 | 668 |
| Comparable EBITDA as % of revenue | **34.7** | 34.5 | 35.3 | 36.2 | 36.2 |
| Comparable EBIT, EUR million | **487** | 472 | 439 | 415 | 402 |
| Comparable EBIT as % of revenue | **22.4** | 22.2 | 22.0 | 21.9 | 21.8 |
| Comparable profit before tax, EUR million | **464** | 458 | 427 | 399 | 379 |
| Comparable profit before tax as % of revenue | **21.3** | 21.5 | 21.4 | 21.0 | 20.5 |
| | | | | | |
| Comparable return on equity (ROE), % | **29.7** | 30.5 | 29.3 | 28.1 | 27.1 |
| Comparable return on investment (ROI), % | **18.7** | 18.4 | 17.2 | 16.7 | 17.5 |
| | | | | | |
| Comparable earnings per share (EPS) | **2.37** | 2.34 | 2.19 | 2.05 | 1.93 |

[1] other than the financial indicators defined by IFRS

### *Formulae for alternative performance measures*

| | | |
|---|---|---|
| Comparable EBITDA | EBIT + depreciation, amortisation and impairment +/- items affecting comparability | |
| Comparable EBIT | Profit for the period + income taxes + financial income and expenses + share of associated companies' profit +/- items affecting comparability | |
| Comparable profit for the period | Profit for the period +/- items affecting comparability | |
| Comparable EPS | Profit attributable to owners of the parent company +/- items affecting comparability / Average number of shares during the period adjusted for share issues | |
| Comparable return on equity (ROE), % | Profit for the period +/- items affecting comparability / Total shareholders' equity on average | X 100 |
| Comparable return on investment (ROI), % | Profit before taxes + interest and other financial expenses +/- items affecting comparability / Total equity + interest-bearing liabilities on average | X 100 |
| Comparable cash flow after investments | Net cash flow from operating activities - net cash used in investing activities +/- items affecting comparability | |

## *9.3. Per-share indicators* [1]

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Share capital, EUR | **83,033,008** | 83,033,008 | 83,033,008 | 83,033,008 | 83,033,008 |
| Number of shares at year-end | **160,388,419** | 160,259,695 | 160,187,301 | 160,082,908 | 159,897,796 |
| Average number of shares | **160,376,432** | 160,253,348 | 160,174,453 | 160,065,712 | 159,880,581 |
| Number of shares at year-end, diluted | **160,542,095** | 160,416,729 | 160,187,301 | 160,082,908 | 159,897,796 |
| Average number of shares, diluted | **160,530,108** | 160,410,382 | 160,174,453 | 160,065,712 | 159,880,581 |
| Market capitalisation, EUR million [2] | **7,006** | 8,276 | 9,056 | 7,508 | 8,241 |
| Earnings per share (EPS), EUR | **2.34** | 2.33 | 2.15 | 2.05 | 1.90 |
| Dividend per share, EUR | **2.25** [6] | 2.15 | 2.05 | 1.95 | 1.85 |
| Payout ratio, % | **96.2** | 92.1 | 95.6 | 95.1 | 97.6 |
| Equity per share, EUR | **8.05** | 7.78 | 7.48 | 7.39 | 7.19 |
| P/E ratio | **17.9** | 21.2 | 25.2 | 21.9 | 26.0 |
| Effective dividend yield, % [3] | **5.4** | 4.3 | 3.8 | 4.3 | 3.8 |
| Share performance on Nasdaq Helsinki | | | | | |
| Mean price, EUR | **48.86** | 51.99 | 51.00 | 51.08 | 42.26 |
| Closing price at year-end, EUR | **41.87** | 49.46 | 54.12 | 44.87 | 49.25 |
| Lowest price, EUR | **39.41** | 45.57 | 45.10 | 40.79 | 35.51 |
| Highest price, EUR | **56.52** | 56.90 | 56.18 | 58.88 | 49.91 |
| Trading of shares on Nasdaq Helsinki [4] | | | | | |
| Total trading volume, 1,000 shares | **64,380** | 71,229 | 81,557 | 122,497 | 96,662 |
| Percentage of shares traded [5] | **38** | 43 | 49 | 73 | 58 |

1) The numbers of shares are presented without treasury shares held by Elisa Group.
2) Calculated on the basis of the closing price on the last trading day of the year and the total number of shares at the end of the period (167,335,073).
3) Calculated on the basis of the closing price on the last trading day of the year.
4) Elisa share is also traded in alternative marketplaces. According to Bloomberg, the trading volumes in these markets in 2023 were approximately 289 (293) per cent of the volumes on the Nasdaq Helsinki.
5) Calculated in proportion to the total number of shares at the end of the period.
6) The Board of Directors proposes a dividend payment of EUR 2.25 per share.

## *Formulae for per-share indicators*

Earnings per share (EPS) $= \dfrac{\text{Profit for the period attributable to the equity holders of the parent}}{\text{Average number of shares during the period adjusted for share issues}}$

Dividend per share [1] $= \dfrac{\text{Dividend adjusted for share issues}}{\text{Number of shares at the balance sheet date adjusted for share issues}}$

Effective dividend yield, % [1] $= \dfrac{\text{Dividend per share}}{\text{Share price at the balance sheet date adjusted for share issues}} \times 100$

Payout ratio, % [1] $= \dfrac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$

Equity per share $= \dfrac{\text{Equity attributable to equity holders of the parent}}{\text{Number of shares at the balance sheet date adjusted for share issues}}$

P/E ratio (price/earnings) $= \dfrac{\text{Share price on the balance sheet date}}{\text{Earnings per share}}$

1) The calculation formulae apply also to the capital repayment indicators.

# Income statement, parent company, FAS

| EUR million | Note | 2023 | 2022 |
|---|---|---|---|
| **Revenue** | 1 | **1,771.6** | 1,731.1 |
| Other operating income | 2 | **10.3** | 7.9 |
| Materials and services | 3 | **–666.3** | –670.9 |
| Employee expenses | 4 | **–271.9** | –253.9 |
| Depreciation, amortisation and impairment | 5 | **–267.9** | –261.4 |
| Other operating expenses | | **–174.0** | –165.5 |
| **Operating profit** | | **401.7** | 387.3 |
| Financial income and expenses | 7 | **–37.3** | –13.5 |
| **Profit before tax and appropriations** | | **364.4** | 373.8 |
| Appropriations | 8 | **0.8** | –10.9 |
| Income taxes | 9 | **–80.8** | –78.9 |
| **Profit for the period** | | **284.3** | 284.1 |

# Balance sheet, parent company, FAS

| EUR million | Note | 31 Dec. 2023 | 31 Dec. 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | 10 | **247.7** | 276.4 |
| Property, plant and equipment | 10 | **741.0** | 694.3 |
| Investments | 11 | **851.5** | 863.7 |
| | | **1,840.2** | 1,834.4 |
| **Current assets** | | | |
| Inventories | 12 | **52.8** | 64.6 |
| Non-current receivables | 13 | **109.3** | 123.7 |
| Current receivables | 14 | **465.0** | 439.1 |
| Cash and bank receivables | | **37.9** | 53.0 |
| | | **665.1** | 680.4 |
| **TOTAL ASSETS** | | **2,505.3** | 2,514.8 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | 15 | | |
| Share capital | | **83.0** | 83.0 |
| Treasury shares | | **–121.5** | –124.4 |
| Reserve for invested non-restricted equity | | **77.8** | 77.8 |
| Contingency reserve | | **3.4** | 3.4 |
| Retained earnings | | **194.1** | 257.5 |
| Profit for the period | | **284.3** | 284.1 |
| | | **521.2** | 581.5 |
| **Accumulated appropriations** | | **87.3** | 83.3 |
| **Provisions** | 16 | **5.4** | 5.0 |
| **Liabilities** | | | |
| Non-current liabilities | 17 | **1,005.8** | 1,007.3 |
| Current liabilities | 18 | **885.6** | 837.7 |
| | | **1,891.4** | 1,845.0 |
| **TOTAL EQUITY AND LIABILITIES** | | **2,505.3** | 2,514.8 |

# Cash flow statement, parent company, FAS

| EUR million | 2023 | 2022 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit before appropriations and taxes | **364.4** | 373.8 |
| Adjustments: | | |
| Depreciation and amortisation | **267.9** | 261.4 |
| Other income and expenses with no payment relation | **1.1** | 0.3 |
| Other financial income (-) and expenses (+) | **18.0** | 13.5 |
| Gains (-) and losses (+) on the disposal of fixed assets | **–3.9** | |
| Gains (-) and losses (+) on the disposal of investments | **16.6** | 0.0 |
| Change in provisions in the income statement | **0.4** | –2.0 |
| Cash flow before changes in working capital | **664.5** | 647.1 |
| | | |
| Change in working capital | | |
| Increase (-) / decrease (+) in current non-interest-bearing trade receivables | **0.9** | –12.8 |
| Increase (-) / decrease (+) in inventories | **10.8** | –8.8 |
| Increase (+) / decrease (-) in trade and other payables | **–4.0** | 0.9 |
| Cash flow before financial items and taxes | **672.2** | 626.3 |
| | | |
| Dividends received | **5.0** | 6.1 |
| Interests received | **5.3** | 1.6 |
| Interests paid | **–28.5** | –15.9 |
| Income taxes paid | **–77.8** | –81.7 |
| **Net cash flow from operating activities** | **576.1** | 536.4 |

| EUR million | 2023 | 2022 |
|---|---|---|
| **Cash flow from investing activities** | | |
| Capital expenditure | **–292.5** | –252.1 |
| Proceeds from disposal of property, plant and equipment and intangible assets | **4.0** | |
| Investments in shares and other investments | **–4.7** | –4.9 |
| Proceeds from disposal of shares and other investments | **0.3** | 0.0 |
| Loans granted | **–13.4** | –17.5 |
| Repayment of loan receivables | **5.2** | 10.9 |
| **Net cash flow used in investing activities** | **–301.2** | –263.7 |
| | | |
| **Cash flow after investing activities** | **275.0** | 272.7 |
| | | |
| **Cash flow from financing activities** | | |
| Increase in long-term borrowings (+) | **300.0** | |
| Decrease in long-term borrowings (-) | **–202.0** | –100.0 |
| Increase (+) / decrease (-) in short-term borrowings | **–39.5** | 138.2 |
| Group contributions received (+) / paid (-) | **–5.3** | –2.7 |
| Dividends paid | **–343.2** | –327.9 |
| **Net cash flow used in financing activities** | **–290.0** | –292.4 |
| | | |
| **Change in cash and cash equivalents** | **–15.0** | –19.8 |
| Cash and cash equivalents at the beginning of the period | **53.0** | 72.7 |
| Cash from business transfers and mergers | **0.0** | |
| **Cash and cash equivalents at the end of the period** | **37.9** | 53.0 |

# Notes to the financial statements of the parent company

## ACCOUNTING PRINCIPLES

Elisa Corporation's financial statements have been prepared in accordance with the accounting principles based on Finnish accounting legislation.

### *Foreign currency items*

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the dates of transactions. At the end of the reporting period, assets and liabilities denominated in foreign currencies are valued at the exchange rates quoted by the European Central Bank on the closing date.

### *Fixed assets*

The carrying value of intangible and tangible assets is stated at cost less accumulated depreciation, amortisation and impairment. Internally generated fixed assets are measured at variable costs.

The difference between depreciation according to plan and total depreciation is presented under appropriations of the parent company's income statement, and the accumulated depreciation difference is presented under accumulated appropriations in shareholders' equity and liabilities on the balance sheet. Depreciation according to plan is recognised on a straight-line basis over the useful life from the original acquisition cost.

The useful life according to plan for the different asset groups:

| | |
|---|---|
| Intangible rights | 3–5 years |
| Goodwill | 5–20 years |
| Other expenditure with long-term effects | 5–10 years |
| Buildings and structures | 25–40 years |
| Machinery and equipment in buildings | 10–25 years |
| Telephone exchanges (fixed and mobile network) | 6–10 years |
| Cable network | 8–15 years |
| Telecommunication terminals | 2–4 years |
| Other machines and equipment | 3–5 years |

### *Inventories*

Inventories are stated at the lowest of variable cost, acquisition price or the likely disposal or repurchase price. Cost is determined using a weighted average price.

### *Marketable securities*

Investments in money market funds are recognised at the repurchase price. Investments in certificates of deposit and commercial paper are recognised at the acquisition cost, as the difference between the repurchase price and cost of acquisition is not significant.

### *Revenue recognition principles*

Revenue from deliverables is recognised at the time of ownership transfer, and revenue from services is recognised when the services have been performed.

Interconnection fees that are invoiced from the customers and paid as such to other telecommunication companies are presented as an adjustment to revenue (Finnish Accounting Standards Board 1995/1325).

Profit from the sale of business operations and fixed assets, subsidies received and rental income from premises is presented under other operating income.

Losses from the sale of fixed assets are presented under other operating expenses. The profit or loss from the sale of shares is presented in financial income and expenses.

### *Research and development*

Research costs are expensed as they incur, with the exception of development costs, which are capitalised. The capitalisation criteria are met when the product is technically and commercially feasible, and it is expected to generate future economic benefit. Development costs initially recognised as expenses cannot be capitalised subsequently.

Public grants associated with development projects are recognised as other operating income when the related costs are recognised as expenses. Public grants, associated with capitalised development costs, are recorded as a reduction of cost.

### *Future expenses and losses*

Probable future expenses and losses related to the reporting period or a prior financial period without corresponding income are recognised on the income statement. Such items are recognised on the balance sheet under provisions if a reliable estimate of the amount or timing of the obligation cannot be made. Otherwise the obligation is recognised as accrual.

### *Income taxes*

Income taxes for the financial year are recognised on the income statement. No deferred tax liabilities or receivables have been recognised in the financial statements.

## 1. Revenue

| EUR million | 2023 | 2022 |
|---|---|---|
| Revenue | **1,838.4** | 1,794.3 |
| Interconnection fees and other adjustments | **–66.8** | –63.2 |
| | **1,771.6** | 1,731.1 |
| | | |
| **Geographical distribution** | | |
| Finland | **1,747.1** | 1,704.1 |
| Rest of Europe | **23.2** | 25.2 |
| Other countries | **1.4** | 1.8 |
| | **1,771.6** | 1,731.1 |

## 2. Other operating income

| EUR million | 2023 | 2022 |
|---|---|---|
| Gain on disposals of fixed assets | **3.9** | |
| Other income [1] | **6.5** | 7.9 |
| | **10.3** | 7.9 |

[1] Other income includes rental income from real estate, management fee income charged from subsidiaries and other income not associated with ordinary operating activities.

## 3. Materials and services

| EUR million | 2023 | 2022 |
|---|---|---|
| Materials, supplies and goods | | |
| Purchases during reporting period | **346.5** | 370.1 |
| Change in inventories | **11.8** | –8.5 |
| | **358.4** | 361.6 |
| External services | **308.0** | 309.3 |
| | **666.3** | 670.9 |

## 4. Employee expenses

| EUR million | 2023 | 2022 |
|---|---|---|
| Salaries and wages | **226.7** | 211.8 |
| Pension costs | **38.7** | 36.3 |
| Other social security costs | **6.5** | 5.8 |
| | **271.9** | 253.9 |
| | | |
| Personnel on average | **3,361** | 3,295 |

| CEO remuneration, EUR | 2023 | 2022 |
|---|---|---|
| Fixed salaries | **668,040.00** | 674,640.00 |
| Performance-based bonus | **294,218.10** | 365,376.72 |
| Fringe benefits | **20,903.10** | 20,077.03 |
| Share-based payments [1] | **1,351,749.69** | 715,958.19 |
| | **2,334,910.89** | 1,776,051.94 |

[1] The maximum award allocated to the CEO under the share-based compensation plans equals the value of 102,430 shares. See note 4.1 of the consolidated financial statements.

In 2020, the Board of Directors agreed with the CEO of Elisa Corporation, Veli-Matti Mattila, that he will continue as CEO until further notice. In August 2023 Veli-Matti Mattila informed the company´s Board of Directors that he will retire when the new CEO Topi Manner starts in the position, on 1 March 2024 at the latest. Under the previous executive agreement, Mattila would have retired at the age of 60. The pension arrangements include a right to a paid-up policy.

| Remuneration of Board members, EUR | 2023 | 2022 |
|---|---|---|
| Clarisse Berggårdh | **2,400.00** | 95,400.00 |
| Maher Chebbo | **93,400.00** | 87,600.00 |
| Kim Ignatius | **98,000.00** | 97,000.00 |
| Katariina Kravi | **97,200.00** | 78,000.00 |
| Pia Kåll | **83,000.00** | 78,800.00 |
| Topi Manner | **78,200.00** | 79,600.00 |
| Eva-Lotta Sjöstedt | **93,400.00** | 85,200.00 |
| Seija Turunen | | 2,400.00 |
| Anssi Vanjoki | **148,000.00** | 138,000.00 |
| Antti Vasara | **82,200.00** | 82,000.00 |
| | **775,800.00** | 824,000.00 |

For the year 2023, the following compensations were decided by the Annual General Meeting for the Members of the Board: remuneration fee for the Chair EUR 140,000, for Deputy Chair and the Chairs of the Committees EUR 86,000, and other Board members EUR 71,000; and additionally EUR 800 per meeting of the Board and of a committee. However, if a Board member lives permanently outside Finland and is physically present at a Board or committee meeting that is held in a country other than his/her permanent home country, the meeting fee is EUR 1,600. According to the decision of the Board on 5 April 2023, the annual remuneration was paid in Company shares on 25 April 2023. The outstanding remuneration amounts were paid net of tax, 60 per cent.

## 5. Depreciation, amortisation and impairment

| EUR million | 2023 | 2022 |
|---|---|---|
| Intangible assets | **83.7** | 87.6 |
| Property, plant and equipment | **184.3** | 173.7 |
| | **267.9** | 261.4 |

EUR 5.6 (0.0) million of impairment losses have been recorded for the assets.

Specification of depreciation, amortisation and impairment by balance sheet items is included in note 10.

## 6. Audit fees

| EUR million | 2023 | 2022 |
|---|---|---|
| Auditing | **0.2** | 0.2 |
| Tax advisory services | **0.0** | 0.0 |
| Other services | **0.1** | 0.0 |
| | **0.3** | 0.2 |

## 7. Financial income and expenses

| EUR million | 2023 | 2022 |
|---|---|---|
| **Interest income and other financial income** | | |
| Dividends received | | |
| From Group companies | **4.5** | 5.5 |
| From associated companies | **0.0** | |
| From others | **0.4** | 0.4 |
| | **4.9** | 5.9 |
| Other interest and financial income | | |
| From Group companies | **1.0** | 0.4 |
| Capital gains from investments | **0.1** | 0.0 |
| From others | **4.9** | 1.7 |
| | **5.9** | 2.1 |
| | **10.8** | 8.0 |
| **Interest costs and other financial expenses** | | |
| To Group companies | **–8.6** | –6.1 |
| Impairment of investments in subsidiaries | **–0.1** | –2.1 |
| To others [1] | **–39.4** | –13.3 |
| | **–48.2** | –21.5 |
| | **–37.3** | –13.5 |

[1] Includes a EUR 16,2 million loss on divestment of Elisa Videra Oy.

## 8. Appropriations

| EUR million | 2023 | 2022 |
|---|---|---|
| Change in appropriations | **–3.9** | –5.5 |
| Group contributions received | **10.4** | 8.1 |
| Group contributions paid | **–5.7** | –13.5 |
| | **0.8** | –10.9 |

## 9. Income taxes

| EUR million | 2023 | 2022 |
|---|---|---|
| Income taxes for the reporting period | **–80.8** | –78.9 |
| Taxes for previous periods | **0.0** | |
| | **–80.8** | –78.9 |

## 10. Intangible assets and property, plant and equipment

| 2023<br>EUR million | Development costs | Intangible rights | Goodwill | Other intangible assets | Intangible assets under construction | Total |
|---|---|---|---|---|---|---|
| | | | **Intangible assets** | | | |
| Acquisition cost at 1 Jan. | 74.0 | 163.2 | 886.3 | 603.3 | 18.8 | **1,745.6** |
| Additions | 8.3 | 1.8 | | 35.3 | 9.9 | **55.4** |
| Disposals | | | | –0.1 | | **–0.1** |
| Reclassifications | 4.4 | 1.1 | | 8.0 | –13.9 | **–0.4** |
| Acquisition cost at 31 Dec. | 86.7 | 166.0 | 886.3 | 646.6 | 14.8 | **1,800.5** |
| Accumulated amortisation and impairment at 1 Jan. | 58.2 | 95.1 | 797.5 | 518.4 | | **1,469.2** |
| Accumulated amortisation on disposals and reclassifications | | | | –0.1 | | **–0.1** |
| Amortisation and impairment for the period | 9.2 | 9.1 | 31.4 | 34.0 | | **83.7** |
| Accumulated amortisation and impairment at 31 Dec. | 67.4 | 104.1 | 829.0 | 552.4 | | **1,552.8** |
| Book value at 31 Dec. | 19.4 | 61.9 | 57.3 | 94.2 | 14.8 | **247.7** |

| 2023<br>EUR million | Land and water areas | Buildings and constructions | Machinery and equipment | Other assets | Assets under construction | Total |
|---|---|---|---|---|---|---|
| | | | **Property, plant and equipment** | | | |
| Acquisition cost at 1 Jan. | 9.4 | 243.8 | 4,114.8 | 35.1 | 31.3 | **4,434.3** |
| Additions | 0.2 | 12.7 | 188.1 | | 29.4 | **230.4** |
| Disposals | 0.0 | –1.0 | –372.2 | | | **–373.3** |
| Reclassifications | 0.0 | 2.6 | 28.3 | | –24.9 | **6.1** |
| Acquisition cost at 31 Dec. | 9.5 | 258.1 | 3,958.9 | 35.1 | 35.8 | **4,297.5** |
| Accumulated depreciation and impairment at 1 Jan. | | 151.2 | 3,554.3 | 34.6 | | **3,740.0** |
| Accumulated depreciation on disposals and reclassifications | | –1.0 | –366.8 | | | **–367.8** |
| Depreciation and impairment for the period | 0.0 | 8.3 | 176.0 | 0.0 | | **184.3** |
| Accumulated depreciation and impairment at 31 Dec. | 0.0 | 158.5 | 3,363.4 | 34.6 | | **3,556.5** |
| Book value at 31 Dec. | 9.5 | 99.7 | 595.5 | 0.5 | 35.8 | **741.0** |

| 2022<br>EUR million | Intangible assets<br>Development costs | Intangible rights | Goodwill | Other intangible assets | Intangible assets under construction | Total |
|---|---|---|---|---|---|---|
| Acquisition cost at 1 Jan. | 59.6 | 157.2 | 886.3 | 569.7 | 13.3 | 1,686.1 |
| Additions | 7.4 | 5.5 | | 27.9 | 12.3 | 53.1 |
| Reclassifications | 7.0 | 0.4 | | 5.7 | –6.8 | 6.4 |
| Acquisition cost at 31 Dec. | 74.0 | 163.2 | 886.3 | 603.3 | 18.8 | 1,745.6 |
| | | | | | | |
| Accumulated amortisation and impairment at 1 Jan. | 50.5 | 86.5 | 758.6 | 485.9 | | 1 381,5 |
| Accumulated amortisation on disposals and reclassifications | | 0.0 | | 0.0 | | 0,0 |
| Amortisation and impairment for the period | 7.7 | 8.6 | 38.9 | 32.5 | | 87,6 |
| Accumulated amortisation and impairment at 31 Dec. | 58.2 | 95.1 | 797.5 | 518.4 | | 1,469.2 |
| | | | | | | |
| Book value at 31 Dec. | 15.9 | 68.1 | 88.7 | 84.9 | 18.8 | 276.4 |

| 2022<br>EUR million | Property, plant and equipment<br>Land and water areas | Buildings and constructions | Machinery and equipment | Other assets | Assets under construction | Total |
|---|---|---|---|---|---|---|
| Acquisition cost at 1 Jan. | 10.0 | 227.7 | 3,943.8 | 35.1 | 31.8 | 4,248.4 |
| Additions | 0.0 | 15.6 | 155.3 | | 21.4 | 192.3 |
| Reclassifications | –0.6 | 0.5 | 15.7 | | –21.9 | –6.4 |
| Acquisition cost at 31 Dec. | 9.4 | 243.8 | 4,114.8 | 35.1 | 31.3 | 4,434.3 |
| | | | | | | |
| Accumulated depreciation and impairment at 1 Jan. | | 143.2 | 3,388.6 | 34.5 | | 3,566.3 |
| Accumulated depreciation on disposals and reclassifications | | 0.0 | 0.0 | | | 0.0 |
| Depreciation and impairment for the period | | 8.0 | 165.7 | 0.0 | | 173.7 |
| Accumulated depreciation and impairment at 31 Dec. | | 151.2 | 3,554.3 | 34.6 | | 3,740.0 |
| | | | | | | |
| Book value at 31 Dec. | 9.4 | 92.6 | 560.5 | 0.6 | 31.3 | 694.3 |

## 11. Investments

| 2023<br>EUR million | Investments in<br>Subsidiaries | Associates | Other companies | Receivables from<br>Group companies | Other companies | Total |
|---|---|---|---|---|---|---|
| Acquisition cost at 1 Jan. | 842.2 | 6,3 | 23,3 | 1,5 | | **873,3** |
| Additions [1] | 4.1 | 11,5 | 0,3 | 0,0 | | **16,0** |
| Disposals | –0.2 | | –0,5 | | | **–0,6** |
| Acquisition cost at 31 Dec. | 846.2 | 17,8 | 23,1 | 1,5 | | **888,6** |
| | | | | | | |
| Impairment at 1 Jan. | –5.1 | –0.1 | –4.3 | | | **–9.6** |
| Disposals [1] | –27.4 | –0.1 | 0.0 | | | **–27.5** |
| Impairment at 31 Dec. | –32.6 | –0.2 | -4.3 | | | **–37.1** |
| | | | | | | |
| Book value at 31 Dec. | 813.6 | 17.6 | 18.7 | 1.5 | | **851.5** |

[1] The businesses of Elisa Corporation's subsidiary Elisa Videra and the German company MVC Mobile Video Communication GmbH (owned by KLP Vermögensverwaltungs GmbH) was combined into MVC on 20 December 2023. After combination Elisa has 37.5% holding of MVC Mobile Video Communication GmbH and Elisa became a minority shareholder of the company. The transaction was conducted as a share swap and acquistion price for the shares was EUR 11.4 million. The loss on divestment has been recorded in financial items.

A list of the Group and associated companies is available under note 8.3 of the consolidated financial statements.

| 2022<br>EUR million | Investments in<br>Subsidiaries | Associates | Other companies | Receivables from<br>Group companies | Other companies | Total |
|---|---|---|---|---|---|---|
| Acquisition cost at 1 Jan. | 837.7 | 6.2 | 22.9 | 1.6 | 0.1 | 868.5 |
| Additions | 4.5 | 0.0 | 0.3 | | | 4.9 |
| Disposals | | | 0.0 | 0.0 | –0.1 | –0.1 |
| Acquisition cost at 31 Dec. | 842.2 | 6.3 | 23.3 | 1.5 | 0.0 | 873.3 |
| | | | | | | |
| Impairment at 1 Jan. | –3.3 | –0.1 | –4.1 | | | –7.5 |
| Disposals | –1.8 | | –0.2 | | | –2.1 |
| Impairment at 31 Dec. | –5.1 | –0.1 | –4.3 | | | –9.6 |
| | | | | | | |
| Book value at 31 Dec. | 837.1 | 6.2 | 18.9 | 1.5 | 0.0 | 863.7 |

## 12. Inventories

| EUR million | 2023 | 2022 |
|---|---|---|
| Materials and supplies | **13.1** | 21.3 |
| Finished goods | **39.7** | 43.4 |
| | **52.8** | 64.6 |

## 13. Non-current receivables

| EUR million | 2023 | 2022 |
|---|---|---|
| Receivables from Group companies | | |
| Loan receivables | **17.2** | 26.2 |
| | | |
| Receivables from associated companies | | |
| Loan receivables | **4.2** | |
| | | |
| Receivables from others | | |
| Trade receivables | **74.5** | 84.9 |
| Prepayments and accrued income [1] | **13.5** | 12.6 |
| | **87.9** | 97.5 |
| | **109.3** | 123.7 |
| | | |
| [1] Breakdown of prepayments and accrued income | | |
| Rent advances | **8.8** | 8.7 |
| Transaction costs and losses related to loan issuance | **4.6** | 3.9 |
| | **13.5** | 12.6 |

## 14. Current receivables

| EUR million | 2023 | 2022 |
|---|---|---|
| Receivables from Group companies | | |
| Loan receivables | **41.8** | 32.8 |
| Trade receivables | **3.7** | 3.3 |
| Prepayments and accrued income | **1.2** | 1.4 |
| Other receivables | **10.8** | 8.1 |
| | **57.6** | 45.7 |
| Receivables from associated companies | | |
| Loan receivables | **6.8** | 0.0 |
| Trade receivables | **0.2** | 0.1 |
| | **6.9** | 0.1 |
| | | |
| Receivables from others | | |
| Trade receivables | **340.7** | 326.0 |
| Loan receivables | | 0.0 |
| Prepayments and accrued income [1] | **52.9** | 55.5 |
| Other receivables | **7.0** | 11.8 |
| | **400.5** | 393.3 |
| | **465.0** | 439.1 |
| | | |
| [1] Breakdown of prepayments and accrued income | | |
| Interests | **0.2** | 0.2 |
| Rent advances | **1.4** | 1.4 |
| Transaction costs and losses related to loan issuance | **2.2** | 3.0 |
| Income taxes | | 0.9 |
| Other business expense advances paid | **49.0** | 50.0 |
| | **52.9** | 55.5 |

## 15. Equity

| EUR million | 2023 | 2022 |
|---|---|---|
| Share capital at 1 Jan. | **83.0** | 83.0 |
| Share capital at 31 Dec. | **83.0** | 83.0 |
| | | |
| Treasury shares at 1 Jan. | **–124.4** | –125.9 |
| Disposal of treasury shares | **2.8** | 1.6 |
| Treasury shares at 31 Dec. | **–121.5** | –124.4 |
| | | |
| Reserve for invested non-restricted equity at 1 Jan. | **77.8** | 77.8 |
| Reserve for invested non-restricted equity at 31 Dec. | **77.8** | 77.8 |
| | | |
| Contingency reserve at 1 Jan. | **3.4** | 3.4 |
| Contingency reserve at 31 Dec. | **3.4** | 3.4 |
| | | |
| Retained earnings at 1 Jan. | **541.6** | 587.4 |
| Dividend distribution | **–344.8** | –328.5 |
| Withdrawal of dividend liabilities | **0.2** | 0.2 |
| Disposal of treasury shares | **–2.8** | –1.6 |
| Retained earnings at 31 Dec. | **194.1** | 257.5 |
| | | |
| Profit for the period | **284.3** | 284.1 |
| Total equity | **521.2** | 581.5 |
| | | |
| **Distributable earnings** | | |
| Retained earnings | **194.1** | 257.5 |
| Treasury shares | **–121.5** | –124.4 |
| Reserve for invested non-restricted equity | **77.8** | 77.8 |
| Development costs | **–23.9** | –20.5 |
| Profit for the period | **284.3** | 284.1 |
| | **410.8** | 474.6 |

## 16. Provisions

| EUR million | 2023 | 2022 |
|---|---|---|
| Provision for unemployment pensions | **4.3** | 4.2 |
| Other provisions [1] | **1.0** | 0.8 |
| | **5.4** | 5.0 |

[1] Other provisions consist of salaries, including related statutory employee costs for employees not required to work during their severance period, and a provision for other operating expenses.

Provisions of EUR 1.3 (3.0) million were used and EUR 2.9 (1.1) million were reversed as unused in 2023.

## 17. Non-current liabilities

| EUR million | 2023 | 2022 |
|---|---|---|
| **Interest-bearing** | | |
| Liabilities to others | | |
| Bonds | **900.0** | 900.0 |
| Loans from financial institutions | **100.0** | 100.0 |
| | **1,000.0** | 1,000.0 |
| **Non-interest bearing** | | |
| Liabilities to others | | |
| Trade payables | | 1.4 |
| Accruals and deferred income [1] | **5.8** | 5.9 |
| | **5.8** | 7.3 |
| | **1,005.8** | 1,007.3 |
| | | |
| Liabilities maturing after five years | | |
| Bonds | **300.0** | |
| | | |
| [1] Breakdown of accruals and deferred income | | |
| Rent advances | **5.8** | 5.9 |

## 18. Current liabilities

| EUR million | 2023 | 2022 |
|---|---|---|
| **Interest-bearing** | | |
| Liabilities to Group companies | | |
| Cash Pool account | **283.8** | 232.8 |
| | **283.8** | 232.8 |
| Liabilities to others | | |
| Loans from financial institutions | | 150.0 |
| Bonds | **248.0** | |
| Commercial paper | **34.5** | 125.0 |
| | **282.5** | 275.0 |
| | **566.4** | 507.8 |
| **Non-interest bearing** | | |
| Liabilities to Group companies | | |
| Trade payables | **7.1** | 6.8 |
| Other liabilities | **5.8** | 13.7 |
| | **12.9** | 20.5 |
| Liabilities to associates | | |
| Trade payables | **0.4** | 0.0 |
| | **0.4** | 0.0 |
| Liabilities to others | | |
| Advances received | **4.7** | 5.2 |
| Trade payables | **163.4** | 173.3 |
| Accrued liabilities [1] | **65.5** | 56.0 |
| Other liabilities | **72.3** | 75.0 |
| | **305.9** | 309.4 |
| | **319.2** | 329.9 |
| | **885.6** | 837.7 |
| [1] Breakdown of accrued liabilities | | |
| Salaries, wages and social security costs | **48.8** | 48.2 |
| Interests | **8.2** | 5.5 |
| Direct taxes | **2.2** | |
| Rent advances | **1.0** | 1.0 |
| Income received in advance | **4.8** | 0.9 |
| Others | **0.6** | 0.4 |
| | **65.5** | 56.0 |

## 19. Lease commitments and other liabilities

*Collateral*

| EUR million | 2023 | 2022 |
|---|---|---|
| On behalf of own commitments | | |
| Bank deposits | **0.3** | 0.3 |
| Guarantees | **0.5** | 0.2 |
| | **0.8** | 0.5 |

*Lease commitments*

| EUR million | 2023 | 2022 |
|---|---|---|
| Real estate leases [1] | | |
| Within one year | **29.8** | 28.7 |
| Later than one year, but not later than five years | **34.7** | 40.1 |
| Later than five years | **63.7** | 62.6 |
| | **128.2** | 131.4 |
| Other lease commitments [2] | | |
| Within one year | **4.9** | 3.4 |
| Later than one year, but not later than five years | **6.4** | 3.7 |
| | **11.3** | 7.1 |
| Total leases | **139.5** | 138.6 |

*Other commitments*

| EUR million | 2023 | 2022 |
|---|---|---|
| Venture capital investment obligation | **0.2** | 0.5 |
| | **0.2** | 0.5 |

[1] Real estate leases comprise rental contracts relating to business, office and telecom premises.
[2] Lease liabilities consist mainly of car and IT equipment leases.

Real estate leases are presented at nominal values.

Rental liabilities are exclusive of value added tax, except for vehicle lease liabilities.

*Derivative instruments*

| EUR million | 2023 | 2022 |
|---|---|---|
| Currency derivatives | | |
| Nominal value | **3.3** | 3.3 |
| Fair value | **0.1** | 0.0 |
| | | |
| Electricity derivatives | | |
| Nominal value | **3.5** | 5.8 |
| Fair value | **1.0** | 1.2 |

Elisa hedges electricity purchases through physical purchase agreements and derivatives. The electricity price risk is assessed over a five-year period. Electricity derivatives are subject to hedge accounting.

*The hedging rate for purchases during the coming years, %*

| | 2023 | 2022 |
|---|---|---|
| 0–1 years | **93.1** | 86.6 |
| 1–2 years | **77.4** | 60.1 |
| 2–3 years | **38.8** | 38.9 |
| 3–4 years | **42.3** | 37.8 |
| 4–5 years | **41.1** | 36.7 |

*Real-estate investments*
On 31 December 2023, the VAT refund liability of real-estate investments was EUR 39.7 (36.1) million.

# Signatures to the board of directors’ report and financial statements

Helsinki, 25 January 2024

| | | |
|---|---|---|
| **Anssi Vanjoki**<br>Chairman of the Board of Directors | **Maher Chebbo** | **Kim Ignatius** |
| **Katariina Kravi** | **Pia Kåll** | **Eva-Lotta Sjöstedt** |
| **Antti Vasara** | **Veli-Matti Mattila**<br>President and CEO | |

# Auditor's Report

**To the Annual General Meeting of Elisa Corporation**

*Report on the Audit of the Financial Statements*

**Opinion**

We have audited the financial statements of Elisa Corporation (business identity code 0116510-6) for the year ended 31 December 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, 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 knowlede 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 2.5 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.

**Materiality**

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

**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. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

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.

| THE KEY AUDIT MATTER | HOW THE MATTER WAS ADDRESSED IN THE AUDIT |
|---|---|

*Valuation of goodwill, € 1 157.2 million*
*(Consolidated accounting principles 1.2 and note 5.4)*

- The amount of goodwill in the consolidated statement of financial position is significant due to the acquisitions carried out in the previous years. The amount of goodwill equals approximately to the consolidated equity.
- Goodwill is tested for impairment annually and the group prepares impairment tests for the financial statements or when needed on a discounted cash flow basis with sensitivity analyses.
- Estimating future cash flows underlying the impairment tests involves a significant amount of management judgment, particularly in respect of growth in net sales, profitability and discount rates.
- Due to management judgments about the estimates used in the impairment tests, as well as the significant carrying amount involved, impairment of goodwill is considered a key audit matter.

- We assessed critically those management judgments and the assumptions made, which were used to prepare the cash flow projections for the coming years. In addition, we compared previous years' estimates to the actual amounts to be able to evaluate the reliability of the estimating methods applied.
- We used KPMG valuation specialists when considering the appropriateness of the discount rate used and the technical correctness of the calculations, as well as comparing the assumptions used to market and industry-specific information.
- In addition, we assessed the adequacy of the sensitivity analyses and the appropriate presentation of the notes related to impairment tests in the consolidated financial statements.

*Revenue recognition, € 2 180.5 million*
*(Consolidated accounting principles 1.2 and note 2.3)*

- Revenues are recognized once the service has been rendered to the customer or once the significant risks and rewards related to the ownership of the goods have been transferred to the buyer.
- The IT system environment related to billing transactions is complex and the volume of billing data is large containing wide variety of different products.
- Due to large volumes of data, revenue recognition involves the risk of revenue being recognized in an incorrect period as well as the risk that all transactions are not recorded as complete.
- Revenue recognition accrual is partially based on estimates from the management's past experience.

- We evaluated the sales-related IT control environment and the key controls in the billing process over the completeness and accuracy of revenue.
- The majority of the group's billing data is processed in a single IT system. We evaluated the reliability of the associated IT control environment by assessing, among others, the processes related to the user authorization management and back-up and recoveries, as well as by testing the key application controls over the billing process.
- We also evaluated the group's internal control procedures over the control environment in the billing process, as well as assessed the group's monthly revenue monitoring procedures at business unit level.
- In addition to control testing, we performed substantive procedures to sales accruals to assess the completeness and the accuracy of the recognized revenues.

*Capital expenditures*
*(Consolidated accounting principles 1.2 and note 5)*

| | |
|---|---|
| • The group invests heavily especially in its own telecommunication network and IT environments as well as new technology to remain competitive.<br>• The group’s capital expenditures (investments) amount to € 321.4 million in 2023, and therefore capital expenditures comprise a significant part of the consolidated statement of financial position. | • We observed the group’s investment budget for the year 2023 and followed up developments quarterly.<br>• We evaluated the group’s internal control environment. We also tested the controls over the approval of investment projects; over the authorization process when placing individual orders under an investment project; over the associated approval process when approving purchase invoices; and over recording transactions in the asset register (for property, plant and equipment and intangible assets).<br>• Our substantive procedures focused on assessing the appropriateness of the accounting treatment in respect of the most significant investment projects. In addition, we tested whether the assets under construction met the capitalization requirements and assessed whether they were disclosed appropriately in the financial statements. |

**Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**

The Board of Directors and the Managing Director 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 the Managing Director 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 the Managing Director are responsible for assessing the parent company’s and the group’s ability to continue as 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 Financial Statements**

Our objectives are to obtain reasonable assurance on 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 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 scepticism 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 Managing Director’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 were first appointed as auditors by the Annual General Meeting on 31 March 2004, and our appointment represents a total period of uninterrupted engagement of 20 years. The current auditor in charge, Toni Aaltonen, Authorised Public Accountant, KHT, was elected on 6 April 2017.

**Other Information**

The Board of Directors and the Managing Director 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 the 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.

Helsinki, 25 January 2024

KPMG OY AB

**Toni Aaltonen**
Authorised Public Accountant, KHT

# Corporate Governance Statement

# Corporate Governance Statement 2023

## I. Introduction

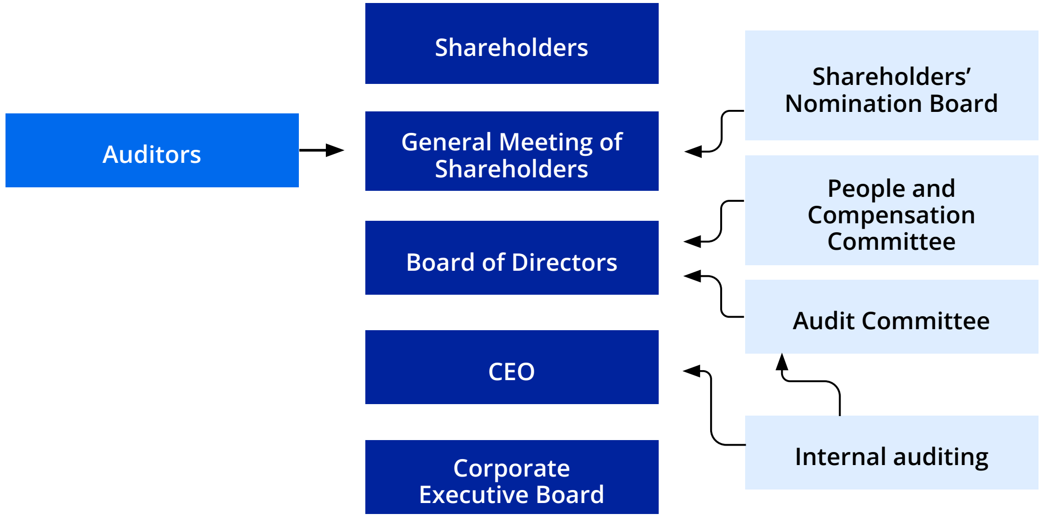
Elisa Corporation observes the recommendations of the Finnish Corporate Governance Code, which entered into force on 1 January 2020. Elisa does not depart from the recommendations of the Code. The Corporate Governance Statement 2023 has been prepared in accordance with the Corporate Governance Code. The Finnish Corporate Governance Code is available at cgfinland.fi.

Elisa publishes its Corporate Governance Statement as a separate document and as part of the Annual Report. The Audit Committee of Elisa's Board has examined the Statement. The Statement is not updated during the financial year, but updated information is available on Elisa's website at elisa.com/investors. The Annual General Meeting held on 2 April 2020 decided on Elisa's Remuneration Policy, available on the company website. Elisa publishes Remuneration Report from 2023.

Elisa's financial statements, including a report on operations, are published on Elisa's website at elisa.com.

## II. DESCRIPTIONS OF GOVERNANCE

### Elisa's governance structure




### General Meeting of Shareholders and Articles of Association

The General Meeting of Shareholders is Elisa's highest decision-making body. Among other things, it approves the income statement and balance sheet. It declares the distribution of profits according to the proposal of the Board of Directors. The General Meeting appoints an auditor and members to the Board of Directors, including the Chair and the Deputy Chair, and approves the discharge from liability.

Notices of General Meetings of Shareholders are posted on Elisa's website no later than three weeks prior to the meeting. A stock exchange release is also issued for each notice and can be found on Elisa's website. The agenda for the meeting is specified in the notice. Proposals from the Board of Directors for the meeting may be viewed on Elisa's website prior to the meeting.

Elisa's Articles of Association may be examined on Elisa's website at elisa.com. Any decisions to amend the Articles of Association are taken by a General Meeting of Shareholders. Elisa's Annual General Meeting 2023 was held on 5 April 2023 in Helsinki.

## Shareholders' Nomination Board

Elisa's Annual General Meeting decided in 2012 to establish a Shareholders' Nomination Board, which is the body with responsibility of preparing the proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors of Elisa, and it also accepted a charter for the Shareholders' Nomination Board. The Shareholders' Nomination Board has been established for the time being. The term of each Shareholders' Nomination Board expires when the next Shareholders' Nomination Board has been appointed.

The biggest shareholders were determined according to the shareholder register of Elisa on 31 August 2023, and they named the members of the nomination board. The composition of the Shareholders' Nomination Board has been as follows:

- Mr Pauli Anttila, Investment Director, nominated by Solidium Oy
- Mr Jouko Pölönen, President and CEO, nominated by Ilmarinen Mutual Pension Insurance Company
- Mr Markus Aho, Chief Investment Officer, nominated by Varma Mutual Pension Insurance Company
- Mr Jukka Vähäpesola, Head of Equities (Ms Hanna Hiidenpalo, until 15 Sept 2023), nominated by Elo Mutual Pension Insurance Company
- Mr Anssi Vanjoki, Chair of Elisa's Board of Directors

Mr Pauli Anttila has acted as chair of the Nomination Board.

The Shareholders' Nomination Board convened four times in 2023.

The Shareholders' Nomination Board discussed the size of the Board, its composition and diversity, and the areas of expertise that are seen as best for the company. The Shareholders' Nomination board surveyed possible candidates and interviewed a selection of appropriate candidates. The Shareholders' Nomination board also examined the remuneration of Board members. When preparing the proposal, the nomination board considered developments in remuneration in relevant markets and fees paid in similar companies as well as the nature of the work that members of the Board do and how demanding it is. Additionally, the Shareholders' Nomination Board reviewed and discussed the external evaluation of the Board.

On 25 January 2024, the Shareholders' Nomination Board announced its proposal to Elisa's Board for the notice of the Annual General Meeting 2024 as follows:

- The amount of annual remuneration for the members of the Board of Directors be changed, but that the level of remuneration for participating in meetings should remain unchanged. The proposal does not include share transfer restrictions; however, the Nomination Board does require that members of the Board hold shares in the Company.
- The Chair be paid annual remuneration of EUR 150,000 (EUR 140,000 in 2023), the Deputy Chair and the Chairs of the Committees EUR 87,000 (EUR 86,000 in 2023), and other Board members EUR 72,000 (EUR 71,000 in 2023). In addition, a meeting fee of EUR 800 (EUR 800 in 2023) per meeting of the Board and of a Committee would be paid. However, if a Board member is physically present at a Board or Committee meeting that is held in a country other than his/her permanent home country, then the meeting fee would be EUR 1,600 (EUR 1,600 in 2023).
- According to the proposal, the annual remuneration will be paid partly in Company shares and partly in cash so that 40% of the remuneration is used to acquire Company shares in the name of and on behalf of the Board members, and the remainder will be paid in cash in order to cover mainly withholding tax on the annual remuneration. The shares will be acquired for the Board members from the stock exchange on the third trading day following the publication of the interim report for the first quarter of 2024.
- The number of members of the Board of Directors would be eight 8 (in 2023, eight members until 18.8.2023, seven members from 18.8.2023)).
- Mr Maher Chebbo, Mr Kim Ignatius, Ms Katariina Kravi, Ms Pia Kåll, Ms Eva-Lotta Sjöstedt, Mr Anssi Vanjoki and Mr Antti Vasara be re-elected. The Shareholders' Nomination Board further proposes that Mr Christoph Vitzthum is elected as a new member of the Board.
- Mr Anssi Vanjoki be elected as the Chair of the Board and Ms Katariina Kravi be elected as the Vice Chair.

With regard to the selection procedure for the members of the Board of Directors, the Shareholders' Nomination Board recommends that shareholders take a position on the proposal as a whole at the General Meeting. This recommendation is based on the fact that at Elisa, in line with a good Nordic governance model, the Shareholders' Nomination Board is separate from the Board of Directors. The Shareholders' Nomination Board, in addition to ensuring that individual nominees for membership of the Board of Directors possess the required competences, is also responsible for making sure that the proposed Board of Directors as a whole also has the best possible expertise and experience for the company and that the composition of the Board of Directors also meets other requirements of the Finnish Corporate Governance Code for listed companies.

## Charter and operations of the Board of Directors

The Board attends to the administration and proper organisation of the company's operations in accordance with the Finnish Limited Liability Companies Act and other regulations. The Board decides on matters that under law are subject to decision by the Board. The company's Board has adopted a charter for itself.

The charter tasks the Board with deciding the company's strategic guidelines and the targets for Elisa's management, and with monitoring their achievement. The Board must also appoint the CEO and decide on the composition of the Executive Board. The Board regularly monitors financial performance and the development of the company's financial standing. The Board also supervises the compliance of Elisa's administration with regulations, and the management of operational risks and other risks. The Board addresses major investments in and disposal of businesses or assets, and also sets the boundaries for the company's management in executing operational investments and financial arrangements.

According to the charter, the following are particularly subject to the Board's decision:

- Elisa's strategic guidelines
- Distribution policy
- Convening General Meetings and submitting Board proposals
- Matters having to do with Elisa's stock and Elisa's shareholders
- Major mergers and acquisitions, as well as investments
- Financial statements, half-year financial reports and interim reports, and non-financial reports
- Appointment, dismissal and terms of employment of the CEO and members of the Executive Board

The charter also specifies other matters to be addressed by the Board, such as adopting the annual financial plan, the principles of the company's organisation and the main business policies.

Members of the Board of Directors are not allowed to participate in decision-making for which they must legally disqualify themselves due to a conflict of interests.

The Board conducts an annual self-evaluation of its activities executed in the form of a questionnaire or by external evaluation. In 2023, an external evaluation was carried out via an online survey of Board members as well as interviews with the CEO and Board members. In particular, it assessed the performance of the Board and its committees, as well as the performance of the members and the Chair of the Board. The results were presented to Elisa's Shareholders' Nomination Board. In addition, the Board of Directors continuously evaluates its own performance.

In 2023, the Board of Directors elected a new CEO for the company, who will start in the position on 1 March 2024, at the latest. During 2023, the Board focused in particular on the company's strategy and monitoring its implementation, on changes in the operating environment and markets, and on geopolitical and economic challenges, including the impact of cyber security, inflation and interest rates on Elisa's operations. Other focus areas included customer satisfaction, as well as the frequency auctions in Estonia. The Board decided on updated medium-term financial targets and the issuance of the first green bond. It also focused on the development of the 5G and fibre markets and on internationalisation, including M&As.

The Board of Directors processes the results of key sustainability indicators as part of the interim and half-year reports. In addition, Elisa's executive management regularly reports on sustainability matters to the Board. The Board confirms and signs the annual Sustainability Report (NFR).

## Composition of the Board of Directors

According to Elisa's Articles of Association, the Board comprises a minimum of five and a maximum of nine members. The members of the Board are appointed at the Annual General Meeting for a one-year term of office starting at the close of the relevant General Meeting and ending at the close of the next Annual General Meeting. The Annual General Meeting also elects the Chair and the Deputy Chair of the Board.

At its organising meeting, the Board annually decides upon committees, their chairs and members. In 2023, the acting committees were the People and Compensation Committee and the Audit Committee. The duties and charters of the committees are adopted by the Board.

At the Annual General Meeting of 5 April 2023, eight (8) members were elected to the Board until the next Annual General Meeting. Mr Maher Chebbo, Mr Kim Ignatius, Ms Katariina Kravi, Ms Pia Kåll, Mr Topi Manner, Ms Eva-Lotta Sjösted, Mr Anssi Vanjoki and Mr Antti Vasara were re-elected as members of the Board. Topi Manner stepped down from the Board on 18 August 2023 at the same time as he was appointed as Elisa's new CEO. Manner will start in the position on 1 March 2024 at the latest.

From left: Kim Ignatius, Antti Vasara, Maher Chebbo, Anssi Vanjoki, Eva-Lotta Sjöstedt, Pia Kåll and Katariina Kravi.

**57%** men

**43%** women

**100%** independence of Board members

**4.14 years** Length of Board membership, average

**43–67 years** Age distribution of Board members

### Anssi Vanjoki

- Chair of the Board since 2019, member since 2018.
- (1956), M.Sc (Econ.), Helsinki School of Economics.
- Finnish citizen.
- Independent of the company and significant shareholders.
- Key Employment history: Lappeenranta University of Technology, Professor 2013–2019. Nokia Oyj, Executive Vice President and General Manager 1998–2011, Senior Vice President 1994–1998, Vice President 1991–1994. 3M Corporation, various positions 1981–1991.

### Katariina Kravi

- Deputy Chair of the Board since 2023, member since 2022. Chair of the People and Compensation Committee.
- (1967), LLM, trained on the Bench, University of Turku.
- Finnish Citizen.
- Independent on the company and main shareholders.
- Key Employment History: EVP, People and Culture, Stora Enso Oyj, 2020–. EVP, Human Resources, Tieto OyJ, 2012–2020. Several managerial and leadership roles in Human Resources, Nokia OyJ 1996–2012.
- Main Board memberships and public duties currently undertaken: Member of the Supervisory Board, Varma.

### Maher Chebbo

- Member of the Board since 2021. Member of the People and Compensation Committee.
- (1965), PhD (Scientific), MinesParisTech (1990). Leading Global Businesses, Harvard Business School.
- French citizen.
- Independent of the company and main shareholders.
- Key employment history: CTS, Founder & Board advisory roles 2020–. Univers Europe, MD 2022–. GE Digital, General Manager Global Power Digital Solutions 2017–2020. SAP, General Manager EMEA Energy & Industries Digital 2005–2017. SAP, Director SAP Corporate Venturing 2002–2004, Global Field Operations 2000–2001. SAP, Sales BU Head & Strategic Advisor to President Southwest Europe 1996–2000. Cap Gemini, Director Utilities, Telecom & Media Software Engineering 1990–1995. ARMINES, Data Science R&D Engineer 1987–1990.
- Main Board memberships and public duties currently undertaken: Member of the CEET (Council of Engineers for Energy transition advising the UN-secretary General). Digital Group Chair: EU Batteries Europe.

### Kim Ignatius

- Member since 2019. Chair of the Audit Committee.
- (1956), B.Sc (Econ.), Helsinki School of Economics.
- Finnish citizen.
- Independent of the company and significant shareholders.
- Key employment history: Sanoma Corporation, Executive Vice President in 2017, CFO in 2008–2016. TeliaSonera AB, Executive Vice President and CFO 2003–2008. Sonera Oyj, Executive Vice President and CFO 2000–2002. Tamro Oyj, Group CFO 1997–2000.
- Main Board memberships and public duties currently undertaken: Member of the Board and Chair of the Audit Committee: Duell Corporation. Vice Chair of the Board and Chair of the Audit Committee: Yliopiston Apteekki. Member of the Board and the Audit Committee: Pihlajalinna Group.

### Pia Kåll

- Member of the Board since 2022. Member of the Audit Committee.
- (1980), M.Sc (Eng.) Helsinki University of Technology.
- Finnish citizen.
- Independent of the company and significant shareholders.
- Key employment history: CapMan, CEO 2023–, Managing Partner CapMan Buyout 2016–2023. Outotec, Senior Vice President Strategy, Marketing and Operational Excellence 2013–2016. McKinsey&Company, Management consultant 2006–2013.

### Eva-Lotta Sjöstedt

- Member of the Board since 2020. Member of the People and Compensation Committee.
- (1966), IHM Business School Bachelors degree (KY) Economics, Marketing. The Wharton School Executive education course 2013.
- Swedish citizen.
- Independent of the company and significant shareholders.
- Key employment history: Senior advisory roles 2017–. Georg Jensen, CEO 2016–2018. Karstadt, CEO 2014–2015. IKEA Group, Global Deputy Retail Manager 2012–2013, CEO IKEA Netherlands 2009–2012, Various Executive roles for starting up IKEA Japan 2005–2009. Various positions in design and fashion.
- Main board memberships and public duties currently undertaken: Metro AG: Member of Supervisory Board. Tritax EuroBox PLC: Non- executive director, Chair of ESG Committee. Alliance Pharma PLC: Non-executive director.

### Antti Vasara

- Member of the Board since 2017. Member of the Audit Committee.
- (1965), D.Sc. (Tech.), Helsinki University of Technology.
- Finnish citizen.
- Independent of the company and significant shareholders.
- Key employment history: VTT Technical Research Centre of Finland Ltd, CEO 2015–. Tieto Corporation, EVP 2012-2015. Nokia Corporation, SVP 2003-2012. SmartTrust Ltd, CEO 2000–2003. McKinsey & Company, Management consultant 1993–2000. Helsinki University of Technology, Researcher 1986–1991.
- Main Board memberships and public duties currently undertaken: Member of the Board: Jane and Aatos Erkko Foundation. President and Member of the Board: European Association of Research and Technology Organisations (EARTO).

| Elisa holdings of Elisa's current Board members and legal entities controlled by them | Number of shares, 31 Dec 2023 |
|---|---|
| Anssi Vanjoki, Chair | 6,492 |
| Katariina Kravi, Deputy Chair | 1,121 |
| Maher Chebbo, Member | 1,598 |
| Kim Ignatius, Member | 2,985 |
| Pia Kåll, Member | 1,013 |
| Eva-Lotta Sjöstedt, Member | 1,679 |
| Antti Vasara, Member | 4,124 |

## Independence of Board members

The Board has assessed that each member of the Board of Directors is independent of the company and of any significant shareholders.

## Attendance at meetings by the Board members

| Attendance at board meetings by Elisa's Board members in 2023 | Attendance/ meetings |
|---|---|
| Anssi Vanjoki, Chair | 14/14 |
| Katariina Kravi, Deputy Chair | 14/14 |
| Maher Chebbo, Member | 14/14 |
| Kim Ignatius, Member | 14/14 |
| Pia Kåll, Member | 14/14 |
| Topi Manner, Member (until 18 August 2023) | 7/7 |
| Eva-Lotta Sjöstedt, Member | 14/14 |
| Antti Vasara, Member | 13/14 |

## Appointment and diversity principles for Board members

At Elisa, diversity is seen as an essential part of corporate responsibility and as a factor in success that enables achievement of strategic targets and continuous improvement of customer intimacy.

In planning the composition of the Board, the Shareholders' Nomination Board takes into account the requirements of Elisa's business operations, the phase of development and the competence requirements of the Board committees. In appointing members of the Board, the target is to ensure that the Board as a whole supports the development of Elisa's current and future business operations. Diversity plays a part in supporting this goal.

Diversity is considered from different perspectives. From Elisa's point of view, it is important to have Board members with diverse backgrounds in terms of competence, training and experience of differing business operations, of varying stages of business development, and of leadership, as well as diverse personal characteristics. Experience of international business environments and different cultures in addition to consideration of age and gender will support the diversity of the Board. The objective is to have at least two representatives of both genders. In 2023, the Board changed the gender balance target of the Diversity Principles to a minimum of 40% under-represented gender.

A person elected as an Elisa Board member must have the competence required for the position and be able to devote a sufficient amount of time to the duties required. In forming the composition of the Board, long-term needs and successor planning will be taken into account.

According to the Articles of Association of Elisa, the Board comprises no less than five (5) and no more than nine (9) members. The number of Board members and the composition of the Board shall be such that the Board is capable of efficiently carrying out its tasks. The proposal regarding the number of members and composition of the Board is prepared by the Shareholders' Nomination Board of Elisa. Members of the Board are elected at the Annual General Meeting.

In 2023, at the Annual General Meeting, eight members were elected to the Board. From 18 August 2023 there were seven members on the Board. The competence, training, experience and personal characteristics of the Board are different and complement each other. The members of the Board have strong expertise in e.g. industry, finance, management, strategy, risk management, international business and corporate responsibility (ESG). The Board is composed of three different nationalities. The Board consists of three women and four men between 43 and 67 years of age. The composition of the Board as a whole is in accordance with Elisa's updated diversity principles.

The principles concerning the election of the Board and its diversity are available on the company's website at elisa. com.

## Board committees

### *People and Compensation Committee*

According to its charter, the People and Compensation Committee deals with and prepares remuneration especially within management, Elisa's Remuneration Policy and report, long-term incentive schemes, and other matters relating to developing management and personnel.

In 2023, the People and Compensation Committee comprised Ms Katariina, Committee Chair, and members Mr Maher Chebbo and Ms Eva-Lotta Sjöstedt.

In 2023, the People and Compensation Committee focused e.g. on employee satisfaction, on preparing the Remuneration Policy and report, on monitoring the implementation of the Remuneration Policy, and on long- and short-term remuneration, including a comparison of the remuneration of senior management with general market practice. In addition, the Personnel and Remuneration Committee prepared an update to the Diversity Policy.

### *Audit Committee*

The Audit Committee is tasked with supervising the proper organisation of the company's accounting and financial administration, financing, internal and financial auditing, and risk management. As regards financial reporting and auditing, the Audit Committee specifically monitors and assesses the company's financial reporting system, the effectiveness of internal control and auditing and risk management systems, the independence of the auditor, and in particular the provision of non-audit services. The Audit Committee also monitors and assesses execution of the related party policy.

According to its charter, the following in particular are addressed and prepared by the Audit Committee:

- Significant changes in recognition principles
- Significant changes in items measured on the balance sheet
- Follow-up to ensure the independence of the auditor
- Matters reported by internal auditing
- Financial statements, half-year financial reports, interim reports and Corporate Governance Statement
- Risk reports and organisation of risk management
- Organisation of financial administration and financing
- Related party policy
- Compliance and Protection of Privacy reports
- Non-financial information and sustainability

The Committee also regularly reviews reports from internal auditing and the financial auditors, and prepares proposals on the audit.

### Attendance at Committee meetings by Elisa's Board members in 2023

| Members of the Committees | People and Compensation Committee | Audit Committee |
|---|---|---|
| Katariina Kravi | 5/5 | |
| Maher Chebbo | 5/5 | |
| Kim Ignatius | | 5/5 |
| Pia Kåll | | 5/5 |
| Topi Manner (until 18 August 2023) | | 3/3 |
| Eva-Lotta Sjöstedt | 5/5 | |
| Antti Vasara | | 5/5 |

In 2023, the Chair of the Audit Committee was Mr Kim Ignatius, and the members were Ms Pia Kåll, Mr Topi Manner (until 18 August 2023) and Mr Antti Vasara. The principal auditor also attends Committee meetings.

In 2023, the Audit Committee assessed the audit tendering and made its recommendation to the Board of Directors on the selection of the auditor. During the year, the Audit Committee focused, among other things, on financial performance, financial management controls and regulatory developments, financial and other risks and the related controls, impairment testing, tax matters, financial arrangements, internal audit activities, Elisa's sustainability (ESG) and assessing the impact of future sustainability regulations, as well as performing a review of past corporate restructuring. In addition, the Audit Committee discussed Elisa's risk management and compliance reporting (including following up on cases reported to the whistleblowing channel).

### Duties of the CEO

Elisa's Chief Executive Officer (CEO) manages the company's business and administration in accordance with instructions and orders from the Board of Directors, the Articles of Association and the Finnish Limited Liability Companies Act. The CEO prepares the company's strategy plans and objectives for the Board and is responsible for their implementation. The CEO is also responsible for ensuring that the company's accounting practices comply with the law and that financial matters are handled in a reliable manner. The CEO is appointed by the Board of Directors. Mr Veli-Matti Mattila served as CEO in 2023.

**Veli-Matti Mattila**

- Chief Executive Officer
- (1961), M.Sc. (Tech.), MBA
- Joined the company in 2003
- Key employment history: CEO of Oy LM Ericsson Ab from 1997 to 2003. He has held various positions in the Ericsson Group in Finland and the USA since 1986. Mr Mattila's previous career also includes expert advisory tasks in Switzerland at Ascom Hasler AG.
- Main Board memberships and public duties currently undertaken: Member of the Board of Directors: Orion Oyj, Research Institute of the Finnish Economy (ETLA) and Finnish Business and Policy Forum (EVA), Mannerheim Foundation, Helander Foundation, and Shed Foundation.

| Holdings in Elisa of the CEO and legal entities controlled by him | Number of shares, 31 Dec 2023 |
|---|---|
| Veli-Matti Mattila, CEO | 115,097 |

## Other management team

Elisa's Executive Board prepares the company strategy, directs the company's regular operations, monitors the development of results, and deals with issues having substantial financial or other impact on Elisa, including significant mergers and acquisitions, as well as organisational changes. In addition, the Executive Board monitors risk management and is responsible for the proper organisation of administration under the CEO's guidance. Matters stipulated in the charter of the Board as requiring a decision by the Board of Directors are submitted for decision-making by the Board.

## Members of Elisa's Corporate Executive Board

### Timo Katajisto

- Executive Vice President, Corporate Customers
- (1968), M.Sc. (Tech.)
- Joined the company and the Executive Board in 2008
- Key employment history: Elisa, Executive Vice President, Production 2008–2014. Nokia Siemens Networks, Member of the Executive Board, responsible for strategic projects and quality 2007. Nokia Networks, Member of the Executive Board, responsible for production and network installation 2005–2007. Various positions at Nokia Networks and its predecessor Nokia Telecommunications, 1992–2005.
- Main Board memberships and public duties currently undertaken: Member of the Economic Policy Committee of Service Sector Employers Palta. Deputy Chair of the Board: FiCom.

### Jari Kinnunen

- Chief Financial Officer
- (1962), M.Sc. (Bus. Finance and Accounting)
- Joined the company in 1999, member of the Executive Board since 2005
- Key employment history: Yomi Plc, CEO and President 2004. Elisa Kommunikation GmbH, CFO 1999–2004. Polar International Ltd, Managing Director 1996–1999 and Controller, 1990–1996. Oy Alftan Ab, Controller 1987–1990.
- Main Board memberships and public duties currently undertaken: Member of the Economy and tax Committee of the Confederation of Finnish Industries EK.

### Sami Komulainen

- Executive Vice President, Production
- (1976), M.Sc. (Tech.)
- Joined the company in 1999, member of the Executive Board since 2019
- Key employment history: Elisa, Vice President, Production Unit, Network Services 2018–2019, and Vice President, Mobile Services and Logistics 2013–2018. Various positions at Elisa 1999–2013

### Henri Korpi

- Executive Vice President, International Digital Services
- (1973), LLM
- Joined the company in 2006, member of the Executive Board since 2017
- Key employment history: Elisa, Vice President, subscription business of Consumer Customer unit 2011–2017, Senior Business Controller of Consumer Customer unit 2006–2011. Saunalahti Group, Finance Manager 2002–2006. Riot Entertainment Oy, CFO 2000–2002. Takomo Bros Oy, Finance Manager at 1998–2000.

### Antti Nieminen

- Executive Vice President, Marketing
- (1975), M.Sc.
- Joined the company and the Executive Board in 2020
- Key employment history: F-Secure Plc. Vice President, Brand 2018–2020. OP Financial Group, Head of Marketing 2015–2018. Finnair Plc. Brand and Marketing Leadership roles 2008–2015. Unilever, Brand and Marketing Management roles 2005–2007. Brand and Marketing Management roles at Carat, Hartwall and Kauppalehti 1999–2005.

### Vesa-Pekka Nikula

- Executive Vice President, Consumer Customers
- (1964), M.Sc. (Tech.), MBA
- Joined the compay in 2009, member of the Executive Board since 2014
- Key employment history: Elisa, Executive Vice President, Production 2014–2019, Director of Consumer Customer services 2010–2014 and Director, development, 2009–2010. Nokia Siemens Networks, Director of Managed Services business West South Europe 2007–2009. Nokia Networks, Director of Managed Services business, EMEA (Europe, Middle East, Africa) 2005–2007. Ericsson, several positions in Finland, the Netherlands and Great Britain 1994–2005.

### Merja Ranta-aho

- Executive Vice President, HR
- (1966), MSc (Psychology), Lic.Techn. (Work and organisation psychology)
- Joined the company in 2001, member of the Executive Board since 2013
- Key employment history: Elisa, Vice President, HR, Consumer Customers Business, 2009–2013. Various positions in Elisa and Radiolinja human resources development 2001–2009. Helsinki University of Technology, researcher and teacher, 1992–2001 and positions in communication, 1990–2001.
- Main Board memberships and public duties currently undertaken: Member of the Board of Directors of Mutual Pension Insurance Company Varma. Member of the Skilled work force Committee of the Confederation of Finnish Industries EK. Member of the Labour Market Committee of Service Sector Employers PALTA. Member of the Board of Scout Foundation. Member of the Supervisory Board of the ATK-Instituutti Foundation.

**Eliisa Tapio**

- Executive Vice President, Communications and Sustainability
- (1972), M.Soc.Sc.
- Joined the company in 2020, member of the Executive Board since 2023
- Key employment history: Elisa, Vice President, Communications 2022–2023, Head of International Communications 2020–2022. Nokia, Head of Communications for Global Services business group 2013–2020. Nokia Siemens Networks, Head of Global Restructuring Communications 2011–2013, various Communication Head roles 2007–2011. Nokia, various positions in Communications 1999–2007.

**Sami Ylikortes**

- Executive Vice President, Administration
- (1967), M.Sc.(Econ. & Bus. Adm.), LLM
- Joined the company in 1996, member of the Executive Board since 2000
- Key employment history: Unilever Finland Oy, Positions in accounting management 1991–1996.
- Main Board memberships and public duties currently undertaken: Member of the EU and trade policy committee of the Confederation of Finnish Industries (EK)

| Holdings in Elisa of the CEO and legal entities controlled by him | Number of shares, 31 Dec 2023 |
|---|---|
| Timo Katajisto, Executive Vice President, Corporate Customers | 26,343 |
| Jari Kinnunen, Chief Financial Officer | 58,772 |
| Sami Komulainen, Executive Vice President, Production | 2,036 |
| Henri Korpi, Executive Vice President, International Digital Services | 16,999 |
| Antti Nieminen, Executive Vice President, Marketing | 1,507 |
| Vesa-Pekka Nikula, Executive Vice President, Consumer Customers | 28,794 |
| Merja Ranta-aho, Executive Vice President, HR | 25,502 |
| Eliisa Tapio, Executive Vice President, Communications and Sustainability | 0 |
| Sami Ylikortes, Executive Vice President, Administration | 15,667 |

## III. DESCRIPTIONS OF INTERNAL CONTROL PROCEDURES AND MAIN FEATURES OF RISK

### MANAGEMENT SYSTEMS

The objective of the internal control and risk management systems associated with Elisa's financial reporting process is to obtain reasonable assurance that the company's financial statements and financial reporting are reliable, that they have been prepared in compliance with laws, regulations and generally accepted accounting principles, and that they provide a true and fair view of the financial situation of the company. Internal control and risk management procedures are integrated into the company's operations and processes. Elisa's internal control can be described using the international COSO Framework.

### Control environment

Elisa's control environment is based on the company's values, Code of Conduct and supplementary policies, guidelines and practices, as well as goal-oriented management. Elisa's key processes have been documented, and they are both controlled and developed systematically.

Annual business and strategy planning processes and targets, as well as rolling monthly financial forecasts, represent a key element in Elisa's business and performance management. Financial results are assessed against the forecast, the annual plan, the previous year's results and the strategic plan.

Targets are set for the Elisa Group and for each unit, and individual targets are based on the scorecard and performance-based bonus system and specified in semiannual Learning and objectives discussions.

### Risk assessment

Risk assessment is an integral part of Elisa's planning and performance review processes. The purpose of risk assessment is to identify and analyse risks that could affect the achievement of specified targets and to identify measures to reduce those risks.

The key risks associated with the accuracy of financial reporting have been identified in a process-specific risk analysis. Risk assessment also covers risks related to misuse and the resulting financial losses, as well as the misappropriation of the company's other assets.

### Controls

Control measures consist of automatic and manual reconciliation, control and instructions integrated into the processes, with the objective of ensuring the accuracy of financial reporting and the management of the risks involved. The reporting control mechanism processes have been documented. Key control mechanisms also include access rights management of information systems, authorisation, and the controlled and tested implementation of information system changes.

The financial development of business operations is constantly monitored on a unit basis. Financial management discusses any exceptional items and recognitions at its meetings and investigates the causes of and reasons for any changes in the rolling monthly forecasts. Financial reporting is also ensured through comprehensive analytical reporting of operational metrics, drivers and key figures, and continuous development of the reporting.

### Auditing

The Board of Directors' Audit Committee is tasked with supervising the proper organisation of the company's accounting and financial administration, internal and financial auditing, and risk management. Elisa's Board of Directors reviews and approves the interim reports, half-year financial statement and financial statement releases. Elisa's Board and Executive Board monitor the Group's and the business units' results and performance on a monthly basis.

Elisa's Finance unit is responsible for the internal auditing of the financial reporting and continuously evaluates the functionality of controls. In addition, Elisa's internal auditing function controls the reliability of financial reporting within the framework of its annual audit plan as part of internal auditing procedure. A description of Elisa's internal auditing function can be found in the "Internal auditing" section.

### Risk management

The company classifies risks into strategic, operational, insurable and financial risks. Insurable risks are identified, and insurance is taken out through an external insurance broker to deal with these risks. The insurance broker assists the company when the amount and likelihood of insurable risks are being estimated.

Additional information on risk management available at elisa.com/investors.

### Financial communication and training

Key instructions, policies and procedures are available to the personnel on the company's intranet. In addition, regular information and training are available, particularly regarding any changes in accounting, reporting and disclosure requirements.

Elisa's Disclosure Policy is available on the company's website at elisa.com/investors.

## IV. OTHER INFORMATION TO BE PROVIDED IN THE STATEMENT

### Internal auditing

The purpose of internal auditing is to estimate the appropriateness and profitability of the company's internal control system and risk management, as well as the management and administration processes.

Internal auditing supports the development of the organisation and improves the management of the supervision obligation of the Board of Directors.

Internal auditing is also intended to support the organisation in achieving its goals by evaluating and investigating its functions and by monitoring compliance with corporate regulations. For this purpose, internal auditing produces analyses, assessments, recommendations and information for use by the company's Board and senior management. Reports on completed audits are submitted to the CEO and the management of the unit audited, as well as to the Audit Committee on a regular basis.

Internal auditing is based on international internal auditing standards from the Institute of Internal Auditors. Internal auditing is independent of the rest of the organisation. The starting point for internal auditing is business management, and the work is coordinated with financial auditing. An annual auditing plan and auditing report are presented to the Audit Committee of the Board. Internal auditing may also carry out separately agreed audits on specific issues at the request of the Board and Elisa's Executive Board.

## Code of Conduct and compliance

Elisa's governance, operations and decision-making are guided by Elisa's mission and values as well as the Elisa Code of Conduct. The Code, approved by the Board, establishes a framework for Elisa's business operations and for the work of all Elisa employees. The Code of Conduct is supplemented by Elisa's internal policies and guidelines. It is the duty of every Elisa employee to comply with the Elisa Code of Conduct and internal guidelines and to notify Elisa of any deficiencies observed. Suspected breaches of the Code of Conduct can be reported anonymously through Elisa's whistleblowing channel.

The Elisa Code of Conduct and the Compliance Framework, approved by the Executive Board, form the basis of Elisa's Compliance Programme, the purpose of which is to ensure that Elisa operates in accordance with laws and the Code of Conduct. The compliance programme is regularly reported to the Board's Audit Committee.

## Principles on related party transactions

Elisa complies with legislation concerning related party transactions and ensures that requirements related to monitoring, assessing, decision-making and disclosure of related party transactions are complied with. The Board has adopted a Related Party Transaction Policy, which contains principles for monitoring and assessing Elisa's related party transactions.

Elisa has defined the parties that are related to the company, and Elisa's Legal Affairs department maintains a list of individuals and legal persons who are considered to be related parties. Elisa maintains up-to-date guidelines on related party regulation. Requirements regarding related party transactions have also been taken into account in Elisa's Anti-Corruption and Bribery Policy and Elisa's Conflicts of Interest Policy.

Elisa may enter into transactions with its related parties as long as the transactions are part of Elisa's ordinary business operations and made according to ordinary business terms and conditions. In such situations, Elisa's internal guidelines and decision-making processes must be complied with.

Related party transactions that deviate from normal business operations or are not made according to ordinary business terms are decided on by the Board, respecting provisions on disqualification.

Potential related party transactions are regularly monitored in Elisa's business and support units and through surveys conducted to the related parties. The Internal Audit function monitors any potential conflicts of interest. The results of the monitoring of related party transactions are reported regularly to the Audit Committee.

## Main procedures relating to insider administration

Elisa complies with the guidelines from Nasdaq Helsinki Ltd for insiders in force at any given time. In addition, Elisa's Board of Directors has approved insider guidelines for Elisa Group to complement Nasdaq Helsinki's guidelines for insiders.

According to the Market Abuse Regulation, the members of Elisa's Board of Directors and Elisa's Corporate Executive Board are defined as persons discharging managerial responsibilities within Elisa. A person discharging managerial responsibilities within Elisa must not conduct any transactions relating to Elisa's shares or other financial instruments during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report. It is advisable for a person discharging managerial responsibilities to make long-term investments in Elisa and to conduct the transactions after the publication of Elisa's financial results.

Transactions made by persons discharging managerial responsibilities in Elisa and persons closely associated with them are disclosed according to the Market Abuse Regulation.

Insider lists include persons who have access to specific inside information (insider projects). A person listed on the insider lists must not make any transactions in Elisa shares or other financial instruments during the time they are registered on the list.

Elisa's Legal Affairs department monitors compliance with insider guidelines and maintains the list of persons discharging managerial responsibilities and persons closely associated with them as well as the insider lists.

## Auditors

The auditors' principal duty is to ensure that the financial statements have been prepared in accordance with valid regulations and that they give a true and adequate view of the company's performance and financial position, as well as other necessary information, to the company's stakeholders.

Other main targets are to ensure that internal auditing and risk management has been properly organised, and that the organisation operates in compliance with instructions and within the framework of issued authorisations. The division of labour between external and internal auditing is organised so that internal auditing ensures that the organisation operates in accordance with the company's internal guidelines.

In accordance with the Articles of Association, an Authorised Public Accountants Organisation shall be elected as the company's auditor. The auditor designates an Authorised Public Accountant who has principal responsibility. The term of office of the auditor is the financial year during which the auditor is appointed. The duties of the auditor end at the conclusion of the first Annual General Meeting following the expiry of its term of office.

In 2023, Elisa's auditor was KPMG Oy Ab, Authorised Public Accountants Organisation, with Mr Toni Aaltonen (APA) serving as the principal auditor.

For the 2023 financial period, the auditing fees of the Finnish group companies totalled EUR 234,908 of which the parent company accounted for EUR 186,358 . The auditing fees for the foreign group companies were EUR 190,412.

The auditing firm has been paid fees of EUR 117,575 for services not associated with auditing, of which the parent company accounted for EUR 114,275 and foreign group companies accounted for EUR 1,300. These services had to do with tax services, information security auditing and other expert services.

# Remuneration Report

# 1. Introduction

This is the 2023 Remuneration Report for Elisa Corporation (hereinafter "Elisa") pursuant to legislation and the Finnish Corporate Governance Code. It describes the remuneration of Elisa's Board of Directors ("Board") and the CEO for the 2023 financial year. The People and Compensation Committee of the Board has prepared this Remuneration Report for 2023, which will be presented to Elisa's Annual General Meeting in 2024.

The Board presented the 2022 Remuneration Report to the Annual General Meeting on 5 April 2023. The Annual General Meeting approved the report. The minutes of the Annual General Meeting (including voting results) are available on Elisa's website. In the process of compiling the report for 2023, shareholder feedback was collected and analysed, and their concerns were discussed to enhance Elisa's understanding of them.

Some shareholders expected the report to include more detailed information, e.g. a threshold, target and maximum levels for the LTI and STI metrics. Elisa has decided to select reward criteria that are operational business-related targets, and these metrics therefore reveal detailed information about Elisa's competitive strategies. The criteria include commercially sensitive information, the disclosure of which may be detrimental to the company. Sensitive information also includes financial metrics that Elisa does not otherwise make public, and the remuneration report is not a method of disclosing financial information. As a result, not all the information can be published. However, in this report Elisa has categorised financial and non-financial targets.

The remuneration of the Board and CEO is based on Elisa's Remuneration Policy approved on 2 April 2020 by an advisory resolution of the Annual General Meeting. The People and Compensation Committee has monitored the implementation of the Remuneration Policy. In assessing the remuneration external advisors and benchmark data have been used as described in more detail in sections 2 and 3. No deviations were made from the Remuneration Policy during the 2023 financial year except regarding the remuneration of the new CEO (see 3.7), and there were no situations during the financial year that warranted any claw back of remuneration.

Veli-Matti Mattila continued to serve as CEO throughout the financial year. Elisa did not have a deputy CEO during the financial year. Veli-Matti Mattila has informed Elisa that he will retire on 1 March 2024 at the latest. On 18 August the Board appointed Topi Manner as the new CEO as of 1 March 2024 at the latest. At the same time Topi Manner stepped down from his position as a member of Elisa's Board. This Remuneration Report also includes information on the remuneration of the new CEO (see chapter 3).

In addition, one other Board member resigned from Elisa 's Board during the financial year.

### Development of management and personnel remuneration and the company's performance

The remuneration of the Board and the CEO has developed as follows, compared to the average development of the remuneration of the company's employees and the company's financial development over the last five financial years:

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Chair of the Board | | | | | |
| Annual fee, EUR | 140,000 | 130,000 | 126,000 | 123,000 | 120,000 |
| Meeting fee, EUR | 800* | 800* | 800* | 750 | 700 |
| Deputy chair of the Board & chairs of committees | | | | | |
| Annual fee, EUR | 86,000 | 85,000 | 84,000 | 82,000 | 80,000 |
| Meeting fee, EUR | 800* | 800* | 800* | 750 | 700 |
| Member of the Board | | | | | |
| Annual fee, EUR | 71,000 | 70,000 | 69,000 | 67,000 | 65,000 |
| Meeting fee, EUR | 800* | 800* | 800* | 750 | 700 |
| Actual compensation paid (average of all Board members), EUR | 96,975 | 91,556 | 91,550 | 89,107 | 89,143 |
| CEO's salary in cash and taxable fringe benefits, EUR | 688,943 | 694,717 | 684,543 | 684,146 | 683,699 |
| CEO's performance bonus, EUR | 294,218 | 365,377 | 251,031 | 198,238 | 264,431 |
| Total value of CEO's share-based incentive, EUR | 1,351,749 | 715,958 | 865,204 | 2,269,493 | 1,431,524 |
| Salaries and bonuses according to financial statements, Personnel Fund profit bonus and share-based incentives paid to all Group personnel (excl. CEO), per FTE, EUR | 60,249 | 58,411 | 58,286 | 56,148 | 54,880 |
| Salaries and bonuses according to financial statements, Personnel Fund profit bonus and share-based incentives paid to all Group personnel (excl. CEO), total, EUR | 344,684,682 | 322,605,898 | 314,160,449 | 286,130,772 | 267,868,616 |
| Average rise in salary, %. Two largest personnel groups, Elisa Corporation, incl. general and company-specific raises based on collective agreement and merit raises based on company decision | 4.0 | 2.0 | 2.6 | 1.9 | 2.4 |
| Elisa Group revenue, EUR million | 2,180.5 | 2,129.5 | 1,997.9 | 1,894.6 | 1,843.5 |
| Comparable earnings per share, EUR | 2.37 | 2.34 | 2.19 | 2.05 | 1.93 |
| Share price (year-end closing price), EUR | 41.87 | 49.46 | 54.12 | 44.87 | 49.25 |
| Dividend per share, EUR | 2.15 | 2.05 | 1.95 | 1.85 | 1.75 |

* If a Board member is physically present at a Board or Committee meeting, that is held in a country other than his/her permanent home country, then the meeting fee is EUR 1,600.

### Elisa's long-term financial success and remuneration

According to Elisa's Remuneration Policy, remuneration promotes Elisa's business strategy and long-term financial success and the favourable development of shareholder value when it is fair, competitive, enhances commitment and supports Elisa's objectives. CEO remuneration has been based on the most relevant financial and operational criteria that measure success in Elisa's strategy implementation and that affect Elisa's long-term financial performance. Developments in Elisa's key financial criteria have been positive. The average growth rate of revenue was 4.3 per cent during 2019–2023, and  growth in comparable earnings per share (EPS)  was 5.2 per cent. Elisa's long-term financial development and growth in shareholder value have been positive: total shareholder return was approximately 46 per cent from 2019 to 2023. The share-based remuneration of management is aligned with shareholder interests.

# 2. Remuneration of the Board for the financial year 2023

On 18 January 2023, the Shareholders' Nomination Board announced its proposal for the remuneration of the Board. The Shareholders' Nomination Board considered developments in remuneration in relevant markets and fees paid in similar companies as well as the nature of the work that members of the Board do and how demanding it is.

The remuneration of the Board is decided annually by Elisa's General Meeting in accordance with the company's remuneration policy. The Annual General Meeting in 2023 decided on the following remuneration based on the proposal of the Shareholders' Nomination Board:

- The annual fee for the chair is EUR 140,000.
- The annual fee for the deputy chair and the chairs of the committees is EUR 86,000.
- The annual fee for a member is EUR 71,000.
- The meeting fee is EUR 800 per meeting of the Board and of a Committee. However, if a Board member is physically present at a Board or Committee meeting, that is held in a country other than his/her permanent home country, then the meeting fee is EUR 1,600.

In accordance with the decision of the General Meeting, the annual fee was paid partly in company shares and partly in cash in such a way that shares in the company were acquired in the name of and on behalf of Board members equivalent to 40 per cent of the amount of the fee, and the rest was paid in cash for tax withholding purposes. The shares were acquired for the Board members through the stock exchange on 25 April 2023, the third trading day following the publication of the interim report concerning the first quarter of 2023. In addition, Board members were reimbursed for any travel and other expenses incurred due to Board work according to the actual costs.

Shares acquired as part of the annual fee do not include share transfer restrictions, although the Shareholders' Nomination Board does require Board members to have shareholdings in the company. The chair of the Board has not been paid a fee for participating in the meetings of the Shareholders' Nomination Board.

The following table presents the fixed annual fees decided on by the company's Annual General Meeting on 5 April 2023, the meeting-specific fees for 2023, the number of shares acquired for the Board members with the annual fee, and the Board's shareholdings on 31 December 2023.

# Remuneration of the Board members in 2023

| Name | Position on the Board | Fixed fees, EUR* | Fees for Board meetings, EUR** | Fees for committee meetings, EUR** | Fees in total, EUR | Elisa shares acquired with fixed fees, no.* | Shareholdings of the Board on 31 Dec 2023, number of shares*** |
|---|---|---|---|---|---|---|---|
| Anssi Vanjoki | Chair | 140,000 | 8,000 | – | 148,000 | 1,009 | 6,492 |
| Clarisse Berggårdh | Deputy Chair, Chair of the People and Compensation Committee until 5 April 2023 | - | 1,600 | 800 | 2,400 | - | - |
| Maher Chebbo | Member of the People and Compensation Committee | 71,000 | 16,000 | 6,400 | 93,400 | 511 | 1,598 |
| Kim Ignatius | Chair of the Audit Committee | 86,000 | 8,000 | 4,000 | 98,000 | 619 | 2,985 |
| Katariina Kravi | Chair of the People and Compensation Committee as of 5 April 2023 | 86,000 | 8,000 | 3,200 | 97,200 | 619 | 1,121 |
| Pia Kåll | Member of the Audit Committee | 71,000 | 8,000 | 4,000 | 83,000 | 511 | 1,013 |
| Topi Manner | Member of the Audit Committee until 18 August 2023 | 71,000 | 4,800 | 2,400 | 78,200 | 511 | - |
| Eva-Lotta Sjöstedt | Member of the People and Compensation Committee | 71,000 | 16,000 | 6,400 | 93,400 | 511 | 1,679 |
| Antti Vasara | Member of the Audit Committee | 71,000 | 7,200 | 4,000 | 82,200 | 511 | 4,124 |
| **Total** | | **667, 000** | **77,600** | **31,200** | **775,800** | **4,802** | **19,012** |

* Elisa shares were acquired with fixed fees on 25 April 2023 for Board members elected at the AGM of 5 April 2023 based on the decision of the AGM of 5 April 2023.
** Based on the number of meetings. The meeting fee is EUR 800 per meeting or, EUR 1,600, if a Board member is physically present at a Board or Committee meeting that is held in a country other than his/her permanent home country, based on a decision of the AGM in 2022 and 2023.
*** Shareholdings on 31 December 2023 (including legal entities controlled). Up-to-date information on changes in shareholdings is available on Elisa's website and in Elisa's Management Transactions releases.

# 3. CEO's remuneration for the financial year 2023

The CEO's remuneration consists of a fixed salary, a short-term incentive scheme, a long-term incentive scheme and fringe benefits.

Elisa's remuneration policy states that the short- and long-term incentives based on performance are dimensioned at the target level to be greater than the fixed salary.

The remuneration of Elisa's Executive Board (including the CEO) was benchmarked in 2023 by two different independent consultants against its peer group in Finnish large cap companies with a similar size of market capitalisation and  similar number of personnel and internationally against relevant European telecom industry peers. Both the target and paid compensation were benchmarked, as well as the dimensioning of fixed vs. variable pay.

### 3.1 Fixed annual salary

During the 2023 financial year, the CEO was paid a total salary composed of a fixed monetary salary and taxable fringe benefits (telephone, car, health insurance). The fixed monetary salary was EUR 641,640 (EUR 641,640 in 2022). In addition, the CEO was paid EUR 26,400 in holiday bonus (EUR 33,000 in 2022). The taxable fringe benefits amounted to EUR 20, 903 (EUR 20,077 in 2022). Holidays and other equivalent terms have been treated in accordance with the company's normal policy.

### 3.2 Variable pay components: short-term incentive scheme

For the 2023 financial year, the CEO is paid a performance bonus based on earnings criteria set by the company's Board in line with the remuneration policy: earnings per share, revenue development and the development of personnel and customer satisfaction. The target period for the performance-based bonus scheme is six months, and the bonus is paid every six months. In March 2024, the CEO is paid the performance bonus for the second half of the 2023 financial year.

**Maximum limits, targets, performance bonus paid and dates of payment for short-term incentive scheme**

| | 2H 2022 | 1H 2023 | 2H 2023 |
|---|---|---|---|
| Maximum limit from six-month earnings period | 90% | 90% | 90% |
| Targets and weights | Financial targets 70%<br>• 50% earnings per share,<br>• 20% service revenue development<br>Non-financial targets 30%<br>• 10% Elisa personnel engagement score (ESG target)<br>• 20% customer satisfaction development | Financial targets 70%<br>• 50% earnings per share,<br>• 20% service revenue development<br>Non-financial targets 30%<br>• 10% Elisa personnel engagement score (ESG target)<br>• 20% customer satisfaction development | Financial targets 70%<br>• 50% earnings per share,<br>• 20% service revenue development<br>Non-financial targets 30%<br>• 10% Elisa personnel engagement score (ESG target)<br>• 20% customer satisfaction development |
| Total target realisation, % | 61.333% | 37.730% | 38.790% |
| Performance bonus EUR | 182,160 | 112,058 | 115,206 |
| Payment | March 2023 | September 2023 | March 2024 |

### 3.3 Variable pay components: long-term incentive scheme

The CEO's long-term incentive consists of performance-based incentive schemes. Performance-based incentive schemes are designed to align the goals of shareholders and key personnel in increasing the value of the company in the long term, to secure the commitment of key employees to the company and to offer them a competitive remuneration scheme based on the earnings and accumulation of Company shares.

The Board decides the scheme's earnings criteria at the beginning of each earnings period.

The payout value for the performance-based incentive scheme is based on

1) the maximum allocation of shares, decided at the beginning of the earnings period,

2) the actualisation of the targets (0–100%),

3) the development of the share price.

In addition, the dividend adjustment may increase the payout value.

The potential incentives are paid partly as shares in the company and partly in cash. The cash portion covers the taxes and tax-like charges incurred by the participant as a result of the remuneration. In the event of termination of the participants employment or service relationship before the incentive is paid, the amount of incentives paid depends on the cause of termination. According to the rules of the performance-based scheme, the CEO must hold at least half of the net shares paid on the basis of the scheme until the holding in the company is equal to the value of the annual gross salary and must hold these shares during their whole tenure.

### Performance-based incentive scheme for 2018–2022

On 14 December 2017, the Board decided on a performance-based incentive scheme for the Group's key personnel. The performance-based incentive scheme had three 3-year earnings periods: the calendar years 2018–2020, 2019–2021 and 2020–2022.

**Performance -based incentive scheme 2018–2022**

| **Earnings period** | **2020–2022** |
|---|---|
| Financial year in which reward is paid | 2023 |
| Maximum number of shares | 32,000 |
| Targets | Financial targets 100%<br>• 60% earnings per share (EPS)<br>• 20% revenue from international digital businesses<br>• 20% other specific business growth targets * |
| Target realisation (%) | 70.933% |
| Dividend adjustment (%) ** | 11.830% |
| Amount paid as shares | 12,057 |
| Date of share transfer | 1 February 2023 |
| Transfer price | EUR 52.85 |
| Total value of performance-based incentive (including shares, monetary portion and transfer tax) | EUR 1,351,750 |

* Decided annually e.g. active users of selected services, sales of selected services.
** The amount paid is adjusted to take into account dividends that are paid during the earning period.

### Performance-based incentive scheme for 2021–2025

On 4 March 2021, the Board decided on a performance-based incentive scheme for the Group's key personnel. The performance-based incentive scheme has three 3-year earning periods: the calendar years 2021–2023, 2022–2024 and 2023–2025.

**Performance-based incentive scheme 2021-2025**

| Earnings period | 2021–2023 | 2022–2024 | 2023–2025 |
|---|---|---|---|
| Financial year in which reward is paid | 2024 | 2025 | 2026 |
| Maximum number of shares | 32,000 | 32,000 | 38,430 |
| Targets | Financial targets 100%<br>• 60% earnings per share (EPS)<br>• 20% revenue from international digital businesses<br>• 20% other specific business growth targets decided annually (e.g. active users of selected services, sales of selected services) | Financial targets 90%<br>• 60% earnings per share (EPS)<br>• 20% revenue from international digital businesses<br>• 10% annual progress in specific key business growth targets decided annually (e.g. active users of selected services, sales of selected services)<br><br>Non-financial target 10%<br>• 10% employee engagement (ESG target) | Financial targets 90%<br>• 60% earnings per share (EPS)<br>• 20% revenue from international digital businesses<br>• 10% annual progress in specific key business growth targets decided annually (e.g. active users of selected services, sales of selected services)<br><br>Non-financial target 10%<br>• 10% employee engagement (ESG target) |
| Total target realisation (%) | 75.556% | | |
| Dividend adjustment (%) * | 14.690% | | |
| Amount paid as shares | 13,171 | | |
| Date of share transfer | 31 January 2024 | | |
| Transfer price, EUR | 42,2582 | | |
| Total value of performance-based incentive (including shares, monetary portion and transfer tax), EUR | 1,180,154 | | |

* The amount paid is adjusted to take into account dividends that are paid during the earning period.

### Performance-based incentive scheme 2024–2028

On 31 January 2024, the Board decided on a Performance-based incentive scheme for the Group's key personnel. The Performance Share Plan 2024–2028 consists of three performance periods, covering the financial years 2024–2026, 2025–2027 and 2026–2028.

| Performance-based incentive scheme | 2024–2028 |
|---|---|
| Earnings period | 2024–2026 |
| Financial year in which reward is paid | 2027 |
| Maximum number of shares | 2,444 |
| Targets | Financial targets 86.67%<br>• 60% earnings per share<br>• 20% international digital services growth<br>• 6.67% annual progress in specific key business growth<br><br>Non-financial targets 13.33%<br>• 10% employee engagement<br>• 3.33% ESG development (climate) target |

### 3.4 Information on how fixed and variable pay components are divided

In accordance with Elisa's remuneration policy, short- and long-term incentives based on performance are dimensioned, at the target level, to be greater than the fixed salary. In performance-based incentive schemes, the dimensioning takes place at the beginning of the earnings period. The realisation depends on the fulfilment of the earnings criteria. As the value of the shares changes, the value of the remuneration to be paid increases or decreases. In variable remuneration, the weight of the long-term incentive at an annual level is greater than that of the short-term incentive.

### 3.5 Supplementary pension contributions

The CEO's supplementary pension coverage is based on a defined contribution scheme. The pension arrangements include a right to a paid-up policy. In the 2020 financial year, the Board agreed with the CEO that he would continue to serve as the company's CEO until further notice. According to the previous CEO contract, he would have retired when he turned 60. An increase in the statutory retirement age is compensated for by a decision of the Board.

Liability for the CEO's pension was increased by a provision of EUR 42,867 (43,045 in 2022) on the balance sheet. For the insurance based supplementary pension scheme, the contribution for the CEO was EUR 176,207 (174,407 in 2022). The insurance based supplementary pension scheme can be utilised at the age of 62 at the earliest.

### 3.6 Other financial benefits, such as fringe benefits, signing bonuses, retention bonuses or severance packages

The period of notice applicable to the CEO's service contract is six months for Elisa and three months for the CEO. Should the contract be terminated by Elisa, the CEO is entitled to receive severance pay equal to the total salary for 24 months, less the salary for the period of notice.

Fringe benefits include the taxable value of the company car, mobile phone, landline and health insurance.

### CEO's salary and financial benefits and their proportions paid during financial years 2023 and 2022

| Financial year | Salary in cash, EUR | Taxable fringe benefits, EUR | Performance bonuses, EUR | Total value of performance-based incentive, EUR | Supplementary pension, EUR | Total, EUR | Portion of performance-based remuneration paid as Elisa shares |
|---|---|---|---|---|---|---|---|
| | 668, 040 | 20, 903 | 294,218 | 1,351,750* | 219,074 | 2,553,985 | 12,057 |
| 2023 | 26% | 1% | 12% | 53% | 8% | 100% | |
| | 674,640 | 20,077 | 365,377 | 715,958** | 217,452 | 1,993,504 | 6,426 |
| 2022 | 34% | 1% | 18% | 36% | 11% | 100% | |

* According to the share price at the date of the transfer on 1 February 2023
** According to the share price at the date of the transfer on 1 February 2022

### 3.7 Remuneration of the new CEO

The new CEO will start in his role on 1 March 2024 at the latest. The CEO's remuneration consists of a fixed salary, a short-term incentive scheme, a long-term incentive scheme and fringe benefits.

In addition, there has been a separately agreed compensation for forfeiting previous employer awards. Elisa's current Remuneration Policy does not explicitly mention this kind of compensation; however, it allows to deviate from the policy in a situation of a CEO change.

### Fixed salary and fringe benefits

The CEO will be paid a total salary of EUR 60,000 per month. The total taxable value of the fringe benefits is included in the total salary. Fringe benefits include the taxable value of the company car, mobile phone and health insurance. The total salary also includes any compensation paid to members of the governing bodies of Elisa or its group companies.

### Variable pay components: short-term incentive scheme

The CEO's short-term incentive scheme is based on earnings criteria set by the company's Board in line with the remuneration policy. The maximum limit for each six-month earnings period is 100% of the earnings for the period. The Short-term incentive will be paid from 1 March 2024 onwards.

### Maximum limit, targets and date of payment for short-term incentive scheme

| | 1H 2024 |
|---|---|
| Maximum limit from six-month earnings period | 100% |
| Targets and weights | Financial targets 70%<br>• 50% earnings per share<br>• 20% service revenue development<br>Non-financial targets 30%<br>• 10% Elisa personnel engagement score<br>• 10% customer satisfaction development<br>• 10% ESG development (climate) target |
| Payment | September 2024 |

### Variable pay components: long-term incentive scheme

The CEOs long-term incentive consists of Performance-based incentive schemes.

On 31 January 2024, the Board decided on a Performance-based incentive scheme for the Group's key personnel. The Performance Share Plan 2024–2028 consists of three performance periods, covering the financial years 2024–2026, 2025–2027 and 2026–2028 respectively.

**Performance-based incentive scheme 2024–2028**

| Earnings period | 2024–2026 |
|---|---|
| Financial year in which reward is paid | 2027 |
| Maximum number of shares | 44,000 |
| Targets | Financial targets  86,67%<br>• 60% earnings per share<br>• 20% international digital services growth<br>• 6,67% annual progress in specific key business growth<br>Non-financial targets 13,33%<br>• 10% employee engagement<br>• 3,33% ESG development (climate) target |

### Other financial benefits

The CEO's pension and retirement age are determined in accordance with the Employees' Pension Act. The period of notice applicable to the CEOs service contract is six months for both parties. Should the contract be terminated by Elisa, the CEO is entitled to receive severance pay equal to the total salary for 18 months, less the salary for the period of notice. The CEO is subject to a 12-month non-compete clause.

### Compensation of forfeiting previous employer awards

The compensation of forfeiting previous employer awards consists of

- allocations in the Performance-based Incentive scheme, described below
- allocations in the Restricted Shares Plan, described below,
- a cash part of EUR 200,000 paid in March 2024.

The previous employer has confirmed the sum of the forfeited awards. Elisa has used it to define the amount of the compensation.

### Performance-based incentive scheme for 2021–2025

On 4 March 2021, the Board decided on a Performance-based incentive scheme for the Group's key personnel. The Performance-based incentive scheme has three 3-year earning periods: the calendar years 2021–2023, 2022–2024 and 2023–2025.

| **Earnings period** | **2022–2024** | **2023–2025** |
|---|---|---|
| Financial year in which reward is paid | 2025 | 2,026 |
| Maximum number of shares | 3,586 | 3,586 |
| Targets | Financial targets 90%<br>• 60% earnings per share (EPS)<br>• 20% revenue from international digital businesses<br>• 10% annual progress in specific key business growth targets (e.g. active users of selected services, sales of selected services)<br><br>Non-financial target 10%<br>• 10% employee engagement (ESG target) | Financial targets 90%<br>• 60% earnings per share (EPS)<br>• 20% revenue from International digital businesses<br>• 10% annual progress in specific key business growth targets (e.g. active users of selected services, sales of selected services)<br><br>Non-financial target 10%<br>• 10% employee engagement  (ESG target) |

### Restricted Share Plan 2023

On 1 February 2023, Elisa's Board of Directors decided to establish a new Restricted Share Plan 2023, which is intended to be used as a tool in situations deemed necessary by the Board, for example to ensure the commitment of key personnel in the company, to attract new talent or in other special situations determined by the Board.

If the Company terminates the contract with the CEO, it will be separately resolved that the CEO shall be paid the rewards from the Restricted Shares program in their entity.

| **Vesting period** | **1.1.–31.12.2024** | **1.1.2024–31.12.2025** |
|---|---|---|
| Financial year in which reward is paid | 2025 | 2026 |
| Number of shares | 4,782 | 7,172 |

# 4. Checking of the Remuneration Report

Elisa’s auditor, KPMG Oy Ab, has checked that the information required by regulations has been disclosed in the Remuneration Report.

# Continuous drive for sustainable future

## Sustainability report 2023

# Description of the report

Elisa's sustainability report for 2023 is a statement of Elisa's non-financial information and includes information in accordance with the EU Taxonomy Regulation. The report is part of Elisa's annual report, which is published in Finnish and English and available at elisa.com/annualreport.

This assured sustainability report has been prepared primarily with reference to the Global Reporting Initiative (GRI) Standards, and for climate, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Elisa also reports non-financial information with reference to selected indicators of the Sustainability Accounting Standards Board (SASB) framework.

In addition, the Nasdaq ESG Reporting Guide has been taken into account in preparing the report. The ESG index for 2023 is part of this report, and it includes GRI, SASB, EU Taxonomy, and TCFD indicators as well as our own indicators. Further information at elisa.com/sustainability.

For Elisa's sustainability disclosures, we keep up to date with developments in reporting, and we have started preparations to comply with the Corporate Sustainability Reporting Directive (CSRD), coming into force for Elisa for the reporting year 2024.

A third party verifies Elisa's sustainability reports. The 2023 corporate sustainability report is verified by Ernst & Young. The limited verification covers the sustainability section of Elisa's 2023 annual report. The reporting period is the calendar year 2023.

The reporting of key aspects covers all of the business functions and subsidiaries included in Elisa's consolidated financial statements: Consumer Customers, Corporate Customers, Production, Support and the subsidiaries.

The reporting corresponds to the reporting scope of Elisa Group's financial statements. For some indicators, the scope has been limited due to a lack of reliable information. Any deviations due to these limitations or changes in calculation methods are indicated alongside the relevant indicators. We will continue to develop the coverage of our reporting in these respects. The financial information in this report comes from the consolidated financial statements, and it complies with IFRS accounting principles.

With regard to environmental indicators, the most significant environmental effects of the parent company and its subsidiaries have been calculated in accordance with GRI guidelines. The calculation of carbon dioxide emissions is based on the Greenhouse Gas (GHG) Protocol Corporate Standard. The figures for Scope 3 emissions are reported according to the GHG Protocol Corporate Value Chain Standard. The reporting of Scope 2 emissions takes into account the instructions of the GHG Protocol Scope 2. For a description of the calculation method, please see our corporate sustainability website at elisa.com/sustainability.

With regard to personnel, figures for both the parent company and subsidiaries are included. Structural changes in the Group are presented in more detail in the annual report.

This is Elisa's 11th assured sustainability report, and the publication date for the 2023 report is 13 March 2024. Previous reports are available at elisa.com/investors.

**Contacts**

Ms Minna Kröger

Vice President, Corporate Responsibility

minna.kroger@elisa.fi,
tel. +358 50 572 7620

Elisa Investors

Elisa Sustainability

**This is Elisa's 11th assured corporate sustainability report. Through reporting, we build trust and transparency for our stakeholders.**

**Minna Kröger**
**Vice President, Corporate Responsibility**

# Our approach to sustainability

**Elisa's mission is a sustainable future through digitalisation. Our people are dedicated to increasing our positive impact on society by developing and providing sustainable digital solutions. We are continuing our determined efforts to reduce any negative impacts of our operations. Our journey towards net zero 2040 continues. Elisa is rated as one of the most sustainable companies in the world.**

Comprehensive, secure and fast data communication connections are a prerequisite for a competitive and equitable information society. We are a trailblazer in the provision of telecommunications and digital services, and our unique unlimited data business model enables access to data for everyone in Finland and Estonia. Our business goal is to provide value and sustainable solutions for our customers and society.

The dedicated work of Elisa employees ensures that our mission comes true. We play a key role in influencing society as well as in the operating and working environments of companies and citizens in our main market areas, Finland and Estonia, as well as internationally.

We are committed to the UN Global Compact and are signatories to the UN Women's Empowerment Principles. We respect human rights and international anti-corruption conventions in all countries where we operate and in our partner network. Our long-term climate work has built the foundation for our commitment to net-zero by 2040 (Science Based Targets initiative).

Our key sustainability goals focus on driving change in our society to achieve:

- Resource efficiency and measures to combat climate change
- Protection of everyone's privacy by ensuring safe digital environments
- A fair and inclusive digital society
- Innovation

By building a sustainable future through digitalisation, we are contributing to the UN Sustainable Development Goals that are essential to our operations and that we can significantly influence through our own actions. We are involved in building sustainable industry, innovation and infrastructure (SDG 9); reducing inequality (SDG 10); taking climate action (SDG 13); and promoting peace, justice and strong institutions (SDG 16).

Elisa's sustainable value creation model

### Reporting year 2023: Driving change and safeguarding resilience

During the year 2023, the Russian war in Ukraine continued, and the emerging humanitarian crisis and tensions in the Middle East increased global geopolitical unstability and economic uncertainty. Thus, the established democracies have encountered challenging times. These developments have emphasised for organisation and companies the importance of resilience and the need to safeguard their cyber security.

Finland's security environment changed fundamentally when Russia invaded Ukraine. Finland reassessed its security policy situation and became a full member of NATO on 4 April 2023, strengthening stability and security in Finland and throughout the Baltic Sea region and Northern Europe.

The year 2023 witnessed once again the most severe climate crises in recent history globally, including floods, forest fires and extreme heatwaves. It is evident that human-driven climate change demands drastic action. However, some hope was awakened when COP 28 in Dubai was able to negotiate a common agreement and commitment to break away from fossil energy. This will accelerate the transition to clean energy and the innovative clean technologies that are required to replace the old, fossil-based systems.

In this operating environment, Elisa is committed, and our stakeholders expect us to commit, to even more impactful sustainability measures. We safeguard resilient society, ensure cyber and data security, combat climate change, promote sustainability in the supply chain and advance digital inclusion.

The challenges we face demand global cooperation and collaboration.

### Management of sustainability

We comply with legislation and our Code of Conduct in everything we do, and we expect our partners to do the same. Elisa's Code of Conduct defines how we operate based on our values. Elisa observes the Finnish Corporate Governance Code from the Securities Market Association.

Corporate Governance Statement 2023

Material aspects of sustainability at Elisa are reviewed and approved by Elisa's Board of Directors, Executive Board, and Corporate Responsibility Management Board.

The Audit Committee discusses, and the Board approves, the results of key sustainability indicators on a quarterly basis as part of the interim and half-year reports. The Board of Directors approves and signs the annual sustainability report in its entirety.

Elisa's Executive Board has had a Communications and Sustainability Director since 2023. The Executive Board discusses and decides on the focus areas, indicators and targets of Elisa's sustainability strategy, and monitors progress.

Elisa's Corporate Responsibility Management Board (CRMB) ensures that Elisa's corporate responsibility strategy is implemented in Elisa's business and operations. In 2023, the CRMB consists of members of Elisa's Executive Board, business operations, international businesses, Elisa Estonia, investor relations and support functions, including HR. In 2023, the CRMB held eight meetings. During 2023, Elisa strengthened sustainability resources in Elisa Estonia.

Elisa's Corporate Responsibility Team is responsible for supporting the organisation in reaching strategic sustainability goals. The relevant certified ISO management system in operations supports and provides accountability for Elisa's sustainability work. Elisa's Corporate Responsibility Team is also responsible for ESG data management and reporting.

Elisa's reporting has been based on mateiality assessment results for several yearsf.  The results have been disseminated in the form of a materiality matrix. In 2023, as a preparation for the Corporate Sustainability Reporting Directive (CSRD) legislation that will come in to a force in 2024, Elisa  has performed double materiality assessment according the principles defined by the European Financial Reporting Advisory Group and the European Sustainability Reporting Standards.

### Elisa's corporate responsibility governance model

## Sustainability focus areas and performance

Sustainability has been part of Elisa's strategy since 2009. Our strategic sustainability focus areas were updated in 2022 and are valid for 2023.

Elisa has set strategic sustainability objectives for each of its four sustainability areas. These long-term objectives drive the traceable positive changes in society and which to Elisa's business strategies contribute. The strategic targets and key indicators for these objectives are set both to ensure our responsible business conduct as well as ,and more importantly, to increase our positive contribution to society. Measures in these focus areas are included in business strategies and action plans and the results are monitored regularly.

We measure our overall stakeholder perception performance in sustainability with our key success indicator, which is how our stakeholders perceive Elisa's contribution to society. Survey is conducted monthly as part of surveys of consumer and corporate customers in Finland and Estonia. The surveys ask from 8,000 respondents whether Elisa is a responsible actor in society. The results guide our actions to develop our responsible practices and stakeholder dialogue. This is also one of Elisa's strategic scorecard indicators

In addition to that we have set ambitious climate 2030 target, that is approved by the Science Based Targets initiative. It is an important milestone on our journey towards net zero 2040. This indicator is described in more detail in the *Environmental sustainability* section of this report.

## Recognition in 2023

Collaboration and shared goals with actors in the supply chain are crucial in achieving Elisa's Zero Emissions 2040 target. Cooperation with actors in the supply chain is already at a good level, as demonstrated by the CDP Supplier Engagement Leader award Elisa received in 2023.

MSCI upgraded Elisa's ESG rating to the highest level: AAA. Elisa is a constituent of the FTSE4Good Index Series and was included in 2023 Bloomberg Gender-Equality Index.

Elisa was included on Financial Times Europe's Climate Leaders ranking for the third year in a row, with the highest total score of any Finnish company, and also included on the FT Europe's Diversity Leaders ranking.

According to Brand Finance Nordic 150, Elisa maintained its position as the second-strongest Nordic brand, with a brand value up 14% to EUR 1.4 billion and an AAA rating. In the Sustainable Brand Index 2023, Elisa was again perceived as the most sustainable brand within the industry according to Finnish consumers.

Elisa won the Distributed Energy Storage Project of the Year Award at the Energy Storage Awards 2023 in London.

Elisa Estonia as an employer received two significant certificates: Top Employer 2023 and An organisation that values mental health (gold level).

Additionally, at the beginning of 2024 Elisa was ranked among the 100 most responsible companies in the world in the Corporate Knights Global 100 list. Sustainalytics upgraded Elisa to ESG Top-Rated Companies List and CDP recognised Elisa's climate reporting on its A List. The ratings are based on year 2023.

Elisa's indices and commitments

# Targets and performance 2023

**OUR MISSION:**

## A sustainable future through digitalisation

| | | Impact on society: target | Status | Responsible operations: target | Status |
|---|---|---|---|---|---|
| 13 Climate action | **Environmental** We enable our customers to become more resource efficient | TARGET 2024: **50%** carbon handprint improvement* | 12% (In progress) | TARGET 2024: **-20%** change in network energy efficiency* | -26% (On track) |
| 16 Peace, justice and strong institutions | **Digital** We secure people's privacy in a safe and reliable digital environment | TARGET 2024: **12** cyber security exercises with large corporate customers and authorities** | 8 (On track) | TARGET 2024: Cyber Security Index **92%** | 95% (On track) |
| 10 Reduced inequalities | **Social** We advance a fair and digitally inclusive society | TARGET 2025: Availability of Elisa's high-speed connections to all Finnish households | 92.5% (On track) | TARGET 2024: **32%** of supervisors are women | 29% (In progress) |
| 9 Industry, innovation and infrastructure | **Economic** We intensify innovation and drive sustainable value creation | TARGET 2020–2023: Continuous profit growth in accordance with medium-term targets | (On track) | TARGET 2024: **>100** patent applications* | 80 (On track) |

*Base year 2021. **Cumulative 2022–2024. Targets are by the end of the year.

ESG data

On track | In progress | Off track

"

**Through Elisa Group's Compliance Programme, camLine ensures compliance with legal requirements and internal rules and maintains the highest ethical standards across its global operations. In 2023, our key focus areas for our compliance work increasing awareness as well as anti-bribery and anti-corruption work in camLine.**

**Robert Ostermair**
**Team Lead Legal & Compliance, camLine**

## Elisa Compliance Programme

Elisa's Code of Conduct forms the basis for Elisa's Compliance Programme, the goal of which is to ensure that legislation and Elisa's Code of Conduct are followed in all operations throughout the Elisa Group.

During 2023, Elisa's group-wide compliance management and the Compliance Programme were further developed by approving the Elisa Compliance Framework. Employees throughout the group continued to take the online training in the Code of Conduct, and we continued to monitor the completion of the training throughout the Group. The online training is also part of the induction programme for new Elisa employees.

The development and implementation of the anti-bribery and corruption programme continued to be one of the focus areas of the Compliance Programme. In 2023, we continued to monitor the completion of Elisa's Anti-Bribery and Corruption online training, which is mandatory for all employees in all Elisa Group companies. In addition to the online training, we also arranged targeted small group training and discussions in various units throughout the Group.

In 2023, we continued to improve our human rights due diligence, particularly in our international sales process. Elisa's ethical sales procedure and principles, the objective of which is to ensure that Elisa's products are not used in ways that violate human rights and to make sure that the principles of Elisa's Anti-Bribery and Corruption Policy are complied with in our operations, were implemented in Elisa Polystar and introduced for camLine.

In addition, we conducted our updated human rights impact assessment, aligning it to better meet the requirements of the EU Sustainability Regulation. The assessment has been conducted in Finland and internationally, and it was reviewed and commented on by a third-party human rights expert. In addition to our existing human rights eLearning, we organised internal workshops facilitated by an external human rights expert for selected teams. We continued to participate in the work of the Joint Alliance for CSR working group on human rights.

Other core actions taken in 2023 as part of Elisa's Compliance Programme include updating the internal guidelines on conflicts of interest, arranging related targeted training in competition law for selected target groups, expanding the target group for training in Elisa's ethical procurement principles, and monitoring and ensuring compliance with export control and sanctions legislation.

An important part of the Compliance Programme is to ensure that adequate procedures and operating methods are in place for reporting and processing possible violations of the Elisa Code of Conduct, including maintaining Elisa's centralised whistleblowing procedure and processing notifications received through the channel. The development work for the whistleblowing channel has also included updating Elisa's Group-level whistleblowing principles and procedure in accordance with new EU and national whistleblower protection legislation.

## Policies and guidelines

We have adopted the Elisa Code of Conduct, which is based on our values. Elisa's Board of Directors has approved them as binding on the entire Elisa Group, applying to all our businesses, personnel and partners. The Code enables us to cultivate sustainable and successful business and assure our stakeholders of our trustworthiness.

Other key internal principles from the point of view of responsibility and sustainable operations include Elisa's Code of Ethical Purchasing, personnel policies (including principles of equality), marketing and sales guidelines, environmental policy, risk management policy and data security policy.

In 2023, Elisa revisited its Environmental Policy and Energy Policy.

Elisa's policies and guidelines

## Risk management

Risk assessment is an integral part of Elisa's planning and performance review processes. It aims to ensure that risks affecting the company's business are identified, influenced and monitored. Elisa classifies risks into strategic, operational, insurable and financial risks. The material sustainability risks and mitigation methods are introduced within each sustainability area.

More about our risk management

## Transparent stakeholder dialogue

Active stakeholder dialogue is an important part of the daily development of Elisa's business operations enabling us to achieve our sustainability targets.

We are engaged in continuous dialogue with our stakeholders through regular meetings and a number of questionnaires and surveys. Regular assessment of the material aspects and the social and business impact of our operations is an important part of our sustainability work in the Elisa Corporate Responsibility Management Board.

In 2023, we conducted an internal stakeholder survey among Elisa employees. In addition, we held several stakeholder meetings with NGOs, authorities, customers and suppliers to discuss what they expect from us in terms of responsibility, now and in the near future.  The results indicated an increase in environmental expectations, especially in energy related matters, and the overall transparency of ESG disclosures. The results of Elisa's materiality assessment have been updated accordingly.

## Elisa's stakeholders and interactions

| STAKEHOLDER GROUP – MAIN CHANNELS FOR DIALOGUE | THEMES RAISED DURING 2023 |
|---|---|
| **Employees:** Dialogue with supervisor, engagement survey, learning and development dialogue, values dialogue | Ethical data use and AI, energy efficiency, flexible and remote work, well–being and mental stress at work, climate, diversity, equity and inclusion |
| **Customers:** Customer meetings, customer surveys, focus groups, customer requests and feedback | Ethical sales procedures (e.g. selling to elderly people), cyber security, Elisa's climate actions, circularity, AI |
| **Owners, investors:** Investor meetings, investor information requests | Sustainability in financing, energy efficiency, climate work and targets, biodiversity, ethical data use and AI |
| **Subcontractors, partners:** Subcontractor meetings and feedback surveys, training | Energy efficiency, climate mitigation, Scope 3 emission reductions |
| **Social operators and authorities:** Meetings, workshops and surveys | Climate, cyber security, accessibility, safeguarding functioning society, ethical data and AI |
| **Social operators working for children and young people**: Surveys, meetings, training and workshops | Social exclusion stemming from overuse of digital platforms, children's safety, privacy online and raising awareness |

Elisa's materiality matrix


# Environmental sustainability

# We enable our customers to become more resource efficient

Our approach to environmental sustainability is to urgently tackle climate change and its impact through mitigative and adaptive action. Elisa can have a significant impact by providing solutions that drive energy and material efficiency in society.

A major part of Elisa's revenue comes from providing connectivity services that, among other things, enable location-independent work, which improves resilience in society, while reducing travel and related carbon emissions. These services are enabled through technical infrastructure that we operate and that requires significant amounts of electricity. End users will also need devices, which similarly require resources throughout their life cycle. We therefore address both energy and material efficiency in our operations.

In line with Elisa's mission of a sustainable future through digitalisation, and thus accelerating the achievement of a carbon-neutral society, we have, for our own operations, committed to the Paris Agreement to keep global warming to 1.5 °C. This means that we also take the long view on integrating sustainability with our business operations, which brings consistency in an increasingly complex and unpredictable world.

### Targets and Performance 2023

**Change in network energy efficiency (base year 2021)**

-20%
2024 target

-26%
2023

-5.4%
2022

**Elisa's carbon handprint improvement (base year 2021)**

+50%
2024 target

+12%
2023

+0.5%
2022

**Elisa's mission is a sustainable future through digitalisation. The climate crisis requires target-oriented collaboration. We wanted to raise our target level and set a 2040 net-zero climate target, which also includes the supply chain.**

**Veli-Matti Mattila**
**CEO**

In early 2023, Elisa became the first publicly listed Finnish company to have new, science-based, net-zero climate targets approved by the Science Based Targets initiative (SBTi).

We will drive these ambitious targets in Elisa's Climate Transition Plan, which is intended for stakeholders that want to understand our near-term and long-term approach to reducing carbon emissions throughout our value chain, in line with a 1.5 °C pathway and through a just and fair transition.

During our climate transition, we are increasingly gaining an understanding of our value chain and its different forms of environmental impact, and we can take action to mitigate them. The especially challenging area of Scope 3 emissions requires broad collaboration throughout the supply chain. Our supply chain has an important role to play also in safeguarding natural ecosystems.

In addition to minimising the negative environmental impact of Elisa's operations (our footprint), we offer enabling solutions (our handprint) for resource efficiency that can help our customers to reduce their own carbon emissions.

Environmental sustainability at Elisa

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET ZERO STANDARD
APPROVED NET-ZERO TARGETS

**Near-term climate target for 2030:**

In its near-term climate target for 2030, Elisa is committed to reducing absolute Scope 1, 2 and 3 greenhouse gas emissions by 42% from the base year 2021. We will achieve this without carbon credits or beyond value chain mitigation.

**Net-zero target for 2040:**

In its long-term climate target for 2040, Elisa is committed to reducing absolute Scope 1, 2 and 3 greenhouse gas emissions by 90% from the base year 2021. We will prioritise decarbonisation through direct emissions reductions, and all residual emissions will be neutralised in line with SBTi criteria before reaching net-zero emissions in 2040.

# Our work with stakeholders in environmental sustainability

We manage climate-related risks and opportunities through a governance model that ensures compliant, efficient, and timely decision-making, with a strategic commitment to sustainability from top management and business levels, which is in line with stakeholder expectations and our own business requirements.

Elisa's environmental governance model, described according to the TCFD framework

We actively engage with the authorities regarding the environmental sustainability impacts of the ICT industry, and we prepare well in advance for emerging regulation from the EU, such as the Corporate Sustainability Reporting Directive and the European Energy Efficiency Directive. A double materiality assessment for Elisa in 2023, performed according to European Sustainability Reporting Standard (ESRS), has helped us define the issues in environmental sustainability that are the most impactful in our operations. Energy efficiency and material efficiency are defined as our focus areas. In our assessment, we have recognised circularity as an opportunity and also investigated possible nature-related impacts.

Materiality and stakeholder dialogue

We continue to see growing expectations for transparency and granularity in disclosures, also among other stakeholders. For Elisa's corporate customers, in 2023, we added more automated calculations of supply chain-related emissions and customer enablement aspects of Elisa's offering to our Fokus portal. We have also maintained ISO certifications for our management systems related to environmental sustainability. Elisa's Environmental Management System and ISO 14001 support us in broadly managing operations that might impact the environment in different ways. Continuous improvement of energy performance, which is the focus of Elisa's Energy Management System and ISO 50001, helps us to reduce both costs and emissions.

Elisa's ISO 14001 and 50001 certifications

### Safeguarding planetary boundaries

Resource scarcity in combination with climate change is causing crises worldwide, which involve social and economic inequality, for example, as well as rapid loss of biodiversity. Elisa does not have manufacturing operations of its own, but we can raise related environmental issues within our supply chain, for example related to land use. However, we believe that Elisa can best protect natural ecosystems by combating climate change within our value network. In 2023, we continued to build our understanding of Elisa's dependencies and direct impacts on nature.

Elisa's work for natural ecosystems

### Utilising selected carbon credits

We can support biodiversity and a fair climate transition also through carefully selected purchases of carbon credits from high-quality projects that are in line with the UN Sustainable Development Goals.

After a decade of work on energy efficiency in Elisa's operations, taking carbon-free electricity into use, and developing circularity, since 2020, as a subsequent step in our mitigation hierarchy, we have also taken voluntary actions beyond our value chain, especially in projects that have co-benefits for people and nature.

This means that we have acquired carbon credits in an amount equal to what we, according to our mitigation hierarchy, have not yet been able to abate within the boundary of remaining emissions in Scope 1 and 2, as well as waste generated in operations, business travel, and employee commuting in Scope 3. We see this as a stepping stone on the journey toward our near- and long-term climate targets.

We are continuously developing Elisa's carbon credit portfolio, which currently consists mainly of forest protection, reforestation and energy efficiency projects. We retired 11,101 t$CO_2$e worth of carbon credits in 2023.

Elisa's emission compensations

**Before the solar cooker, I used to travel long distances to collect firewood, and sometimes I had to skip school. Now, we also have light, so I can study in the evening.**

**Luumona**
**Chiyumu, Monze region of Zambia**
**This project is part of Elisa's carbon credit portfolio**

# Our approach to environmental strategy

Climate-related risks and opportunities influence Elisa's strategy and financial planning. Since 2009, reducing carbon emissions has been part of our strategy. Our Climate Transition Plan will align both strategic and tactical actions across the organisation.

Elisa's approach to climate strategy, described according to the TCFD framework

Elisa's environmental strategy has consistently proceeded toward a net-zero emission society, and for 2023, we selected specific areas of focus:

- We engaged in strategic foresight, especially through our double materiality assessment of climate- and nature-related dependencies, impacts, risks and opportunities in all areas of environmental sustainability defined by the ESRS.
- To minimise our carbon footprint, and in parallel with continuous resource efficiency improvements in our own operations, we worked on Scope 3 emission-related projects in which we are laying the foundation for deeper climate collaboration within Elisa's supply chain.
- Similarly, to increase our carbon handprint, we continued our efforts to identify and verify customer enablement effects that Elisa can provide stakeholders.

Elisa's Climate Transition Plan will form an overarching effort in environmental sustainability, to which many other strategic projects in this area will contribute.

### Taking action in our Climate Transition Plan

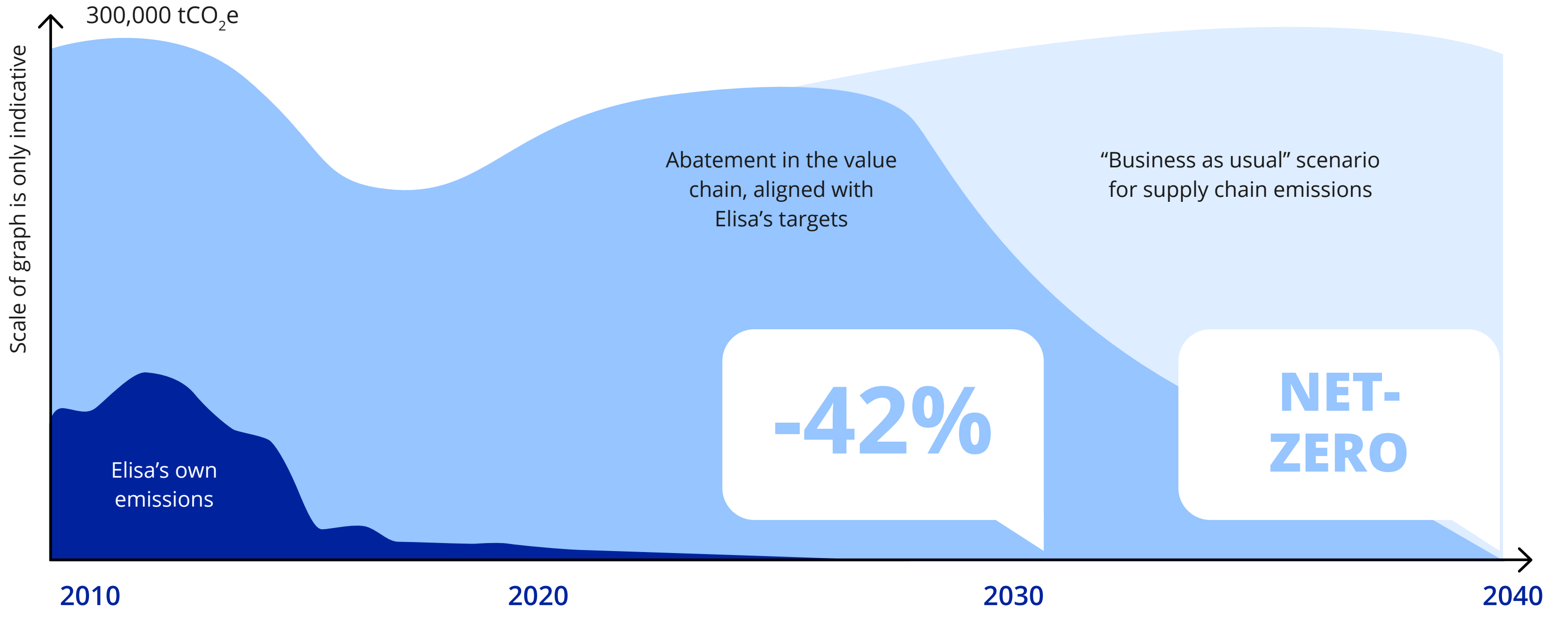
We have committed for the long term, and we have updated our near-term science-based target for 2030 and set a new net-zero target for 2040. Climate transition action means delivering on our set climate transition ambition. It is a set of activities for consistent transformation over a long period of time towards our challenging targets.

The Elisa Climate Transition Plan will describe concrete, short-term steps for climate change mitigation and adaptation. Its near-term planning focuses on achieving Elisa's 2030 climate target. It also lays the groundwork for Elisa's 2040 long-term net-zero climate target.

It is clear that we largely depend on the actions of external stakeholders to achieve Elisa's climate targets. Therefore, we proactively engage with various stakeholders, especially in our supply chain. Cooperation with peer companies or industries, regulatory, governmental and other organisations, as well as communities and civil society, is also key. Our Climate Transition Plan will transparently describe our actions to interested parties to build confidence in our climate transition.

In 2023, we formed three key task forces to develop Elisa's Climate Transition Plan, in Energy, Supply Chain, and Circularity. We support these activities through strategic foresight conversations, transparent performance disclosures, and dialogue around what Elisa's mission of a sustainable future through digitalisation means in our everyday work. We are also further developing our employee training for our Environmental Management System in this direction.

Elisa's Climate Transition Plan



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**Elisa's 3G network in Finland was closed by the end of 2023. The 4G and 5G networks consume less energy per transferred amount of data.**

**Tiina Höckert**
**Head of Mobile Access**

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**We enable our customers to purchase a refurbished device instead a new one if repairing is not an option.**

**Juha Tiihonen**
**Business Manager, Fonum**

## Driving energy efficiency in our operations

As part of our operations, we have addressed energy-related impact, risks and opportunities in Elisa's strategy since 2009. Looking forward, it will continue to be an integral part of our Climate Transition Plan, as electricity use forms a major part of the environmental footprint of digitalisation.

By the end of 2023, we had improved our energy efficiency in mobile data transfers by almost 73% since 2016. Elisa's carbon footprint from Scope 1 and 2 emissions has decreased by more than 60% compared to 2016.

In some cases, we have been able to productise innovations that we have created to address energy efficiency in our own operations, making them part of the sustainable solution we offer to customers.

Elisa's work in energy efficiency

## Increasing material efficiency through circularity

Sufficiency of resources in a linear economy is a growing challenge for businesses, which will also be addressed in our Climate Transition Plan. Circular economy business models can offer more sustainable ways of operating for Elisa and our supply chain partners.

To reduce the amount of waste in our operations, we repair, refurbish and reuse when feasible, and we responsibly recycle, for example network equipment.

We also offer device repair services to our customers, as well as specific circular economy business models.

Elisa's work in material efficiency

## Setting joint climate targets for our suppliers

As part of Elisa's Climate Transition Plan, we see that joint climate action by our supply chain partners is crucial to achieving our targets, so in 2023, we further expanded our deep engagement with over 100 key suppliers by inviting them to join the CDP Supply Chain programme. We also developed our supplier database even further concerning suppliers' corporate responsibility.

Vendor managers are guided to take into consideration Elisa's 2040 net-zero targets and to discuss this with our most important suppliers. This forms the baseline for a continuous dialogue where we focus on climate change and natural resources, but also address risks like pollution of air, water and land.

In 2023, Elisa was recognised by CDP as a Supplier Engagement Leader, being among the top 8% assessed for supplier engagement on climate change, based on the 2022 CDP disclosure.

Sustainability in Elisa's supply chain

## Handling uncertainties in climate transition

Disclosures of our Climate Transition Plan will deepen and mature over time, as our approach of continuous improvement gives us more experience and insight. By regularly reviewing related processes and performance against targets, we can identify gaps and shortcomings, which we can then take steps to address.

# Our mitigation and adaptation to climate risks

Risk assessment is an important part of our strategy work. We also identify, assess and respond to climate-related risks, as well as related opportunities to safeguard our businesses, and we comply with the EU Taxonomy and other regulations.

We plan actions to mitigate climate change in our own operations, for example, by adopting new technologies, or for our customers through our sustainable offering.

Elisa's environmental risk management approach, described according to the TCFD framework

## Assessing climate impacts, risks and opportunities

Not all climate risks are very impactful in the short term. Nevertheless, they can cause significant harm in the longer term, and it is therefore important to recognise them and to take mitigation action well in advance. We continuously develop our networks and other technical operations in such a way that the minimum amount of energy is used in operations to maintain the quality criteria that Elisa sets for its solutions.

We assess the materiality of climate-related risks from market risks and technology shifts, reputation risks, policy and legal risks, and physical risks. The scenarios are supported by sources from the EU, Cicero, the IPCC and the TFCD. In 2023, we reviewed climate impact risks and strategic opportunity factors according to the ESRS.

Major climate-related risks are reviewed by the Corporate Executive Board as part of Elisa's enterprise risk reviews.

## Mitigating climate risks in our operations

As part of the ISO certification of Elisa's environmental and energy management systems, we review the related risk management. Elisa's Environment & Energy Working Group will be a focal point for environmental and energy-related risk management and will collaborate with other corporate functions, such as Finance.

This management process approaches risk levels through acceptance, mitigation or avoidance of risk. We continuously look for ways to improve our risk management and actively learn from best practices. Our prioritisation of mitigation actions in network and data centre projects is mainly based on return on investment, but actions that have a longer payback time and are impactful from a climate mitigation viewpoint will also be assessed separately.

Extreme weather caused by climate change could result in a greater need for repairs of infrastructure located outdoors, and similarly global warming may, over time, result in increased electricity use for cooling.

Energy-related risks have for a long time been on our map, even more so with the challenging energy situation in Europe. We have worked strategically on energy efficiency, especially in Elisa's mobile networks, for over a decade.

We see also transitional risks in the form of a high degree of reliance on supply chain climate commitments and actions, as well as stakeholder expectations on the climate transition.

## Using carbon-free forms of energy

We mitigate risks in energy procurement, for instance by hedging to increase price predictability. Since 2014, Elisa has consistently acquired 100% carbon-free electricity in Finland, using guarantees of origin. To increase the availability of renewable energy on the market, Elisa has signed a power purchase agreement for most of the output of the Puutikankangas wind farm. This has been producing renewable electricity since the beginning of April 2023.

We also produce energy by reusing excess heat and by installing geothermal systems and solar panels at suitable Elisa base station sites. For example in Estonia, in 2023, we connected 12 new solar power plants to the grid.

Stakeholders are increasingly showing interest in the energy consumption of ICT services providers, so we are preparing for more detailed disclosures around this.

> **We can help Finnish homes and properties to replace fossil energy by utilising waste heat from Elisa's data centres to heat Finnish homes and properties.**
>
> **Tapani Lahdelma**
> **Development Director**

> The use of base station battery reserve evens out peaks in electricity consumption and prices.

**Jukka-Pekka Salmenkaita**
**VP, AI & Special Projects**

### Supporting the renewable energy market

We can turn climate risks into opportunities, also on a global scale, by developing our own infrastructure and leveraging that know-how into services that help our customers mitigate climate change. Our most recent example can be found in the energy sector, where in 2023, we expanded the Distributed Energy Storage (DES) solution in Elisa's mobile network.

The DES solution transforms the battery reserve in radio access networks into distributed virtual power plants that, with the help of AI, optimise energy management through efficient charging and discharging. This helps to, for example, solve the challenges that renewable energy sources with variable energy output present to electricity grids, meaning that sometimes, there is not enough renewable production available, and in some markets, this would otherwise require reserve power based on fossil energy. Alternatively, there may be an excess of wind and sun that could be harnessed through battery storage. This also improves Finland's security of supply and society's crisis resilience.

Elisa's Distributed Energy Storage solution

### Helping customers adapt to climate risks

In addition to minimising the negative environmental impact of Elisa's operations, we offer solutions for resource efficiency that can enable various stakeholders to reduce their own carbon emissions.

Elisa Polystar offers vendor-agnostic solutions for our operator customers to optimise their mobile networks, and, for instance, save energy through the Intelligent Energy Saver. This solution uses AI to optimise and configure changes in radio access network elements, which is used to automate energy savings actions across mobile networks, from 2G to 5G.

Elisa's Telecom Software solutions

Elisa IndustrIQ helps our manufacturing industry customers to harness their data, which they can use to, for example, increase material efficiency and substantially reduce waste. Our solutions use AI and automation to create better insights, quality and efficiency.

Elisa's Industrial Software solutions

Elisa's IoT platform and capabilities in machine learning and predictive analysis enable, for example, a comprehensive view of buildings and external data in Elisa's smart building solutions. Combining image sensors and machine learning is another interesting IoT case that enables, for example, analysis of parking area utilisation, or real-time situational awareness and optimisation of traffic flows. Narrowband Internet of Things (NB IoT) on top of mobile networks supports a wide range of devices and can enable very large-scale deployments, for example in measurement of water consumption, air quality in urban areas, traffic and route planning, or health- and safety-related developments.

Elisa's IoT corporate solutions

# Our environmental metrics guide us toward ambitious targets

Elisa's environmental sustainability efforts are in line with UN Sustainable Development Goal 13, which is to urgently tackle climate change and its impact. We are committed to the precautionary principle of the UN Global Compact. We track Elisa's environmental performance against set targets and based on data, and we decide on corrective actions, if needed.

Elisa's climate metrics and targets, described according to the TFCD framework

On our journey toward net-zero in 2040, we are currently focusing on our 2030 near-term climate target of 42% absolute reductions in all Scope 1, 2 and 3 emissions, compared to the base year of 2021.

For transparency and a high level of detail in environmental performance reporting, for example, we voluntarily report annually to CDP.

Elisa's CDP scores for 2023

**Tracking environmental performance from the actions in our Climate Transition Plan**

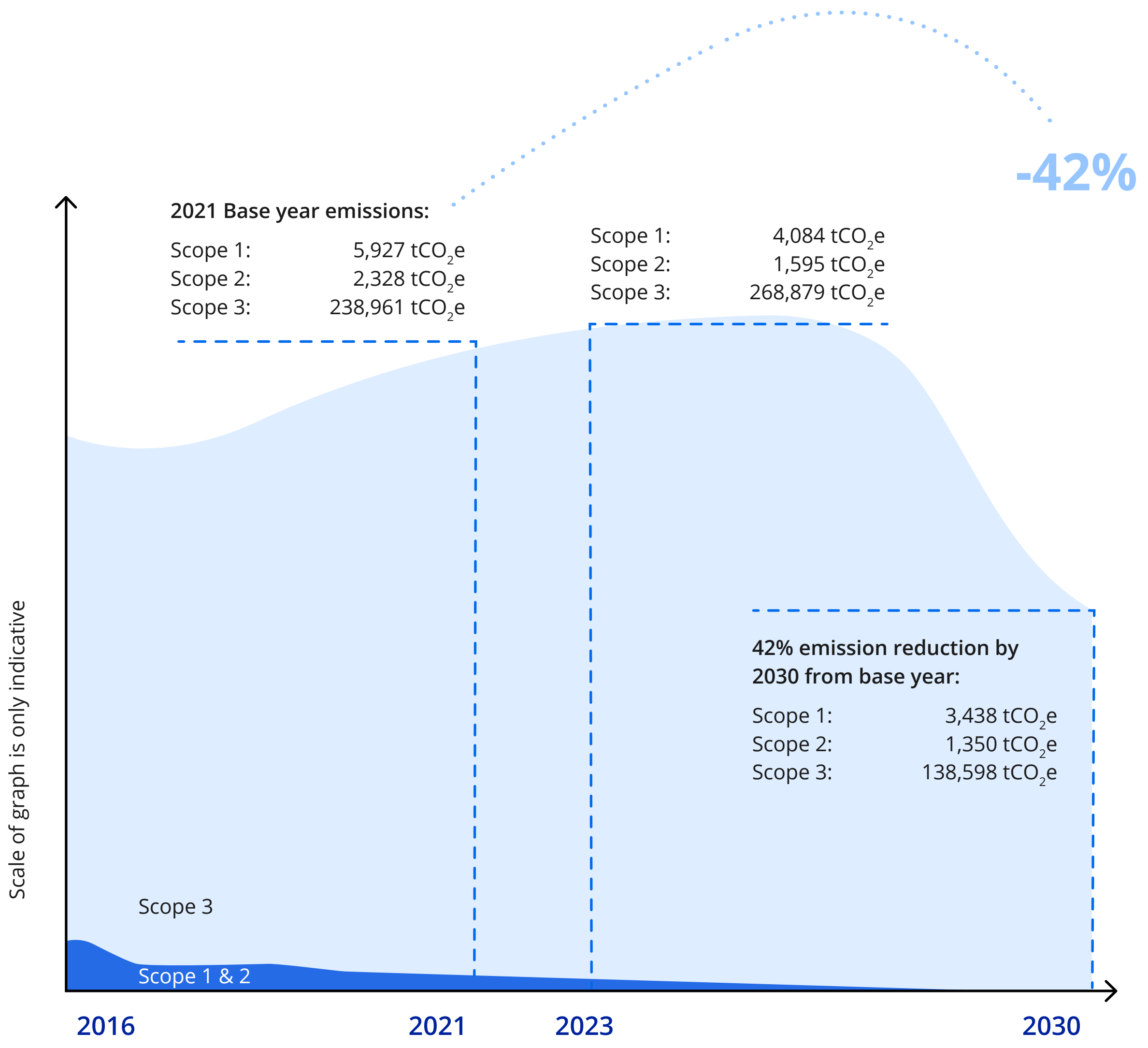
To support our Scope 3 emission targets, in 2023, we encouraged our key suppliers to report through the CDP Supply Chain programme for the second time.

In 2023, we continued to develop our data collection processes and automation of our reporting tool.

Scope 1 and 2 emissions form about 1% of Elisa's total carbon emissions. Scope 3 emissions from our own operations (waste generated in operations, business travel and employee commuting) cause only 2% of the remaining 99% of Scope 3 emissions that we disclose.

The two largest categories of Elisa's Scope 3 emissions come from purchased goods and services, and from capital goods. Therefore, we will continue to intensify supply chain engagement to improve collaboration within planetary boundaries and around emission reductions.

Total Scope 3 emissions were still on a slightly upward trend at the end of 2023, which shows the urgency of supply chain contribution to our climate targets as part of our Climate Transition Plan for the next few years.




# Digital sustainability

# We secure people's privacy in a safe and reliable digital environment

**The digital and physical environments complement each other, and the boundaries between these two worlds are becoming increasingly ambiguous. Everybody should have equal opportunities to be part of safe and secure digital world.**

Secure infrastructure, well-functioning networks with fast connections and reliable digital services form the foundation for a modern digital society affecting everyone. Elisa is part of the critical infrastructure in Finland and Estonia, and our goal is to utilise our services to protect society's most crucial functions, telecommunications connections and data, and to ensure that they keep operating. We also want to proactively block a wide range of criminal activity and scam attempts, and to develop new ways of combating the increasingly diverse threats. Being able to rapidly adapt to unexpected situations is important in all circumstances.

At Elisa, we are constantly working to ensure that the network we maintain and the services we provide are reliable and safe to use. Preparedness and ensuring continuity, as well as raising awareness of how to use networks and services more safely, are important parts of our work. Through our international digital services, we enable data analytics, AI and machine learning to support better decision-making, providing quality as well as efficiency for data-heavy operations.

## Targets and Performance 2023

**Number of cyber security exercises with large corporate customers and authorities**

12
2024 target

8
2022-2023

**Cyber Security Index**

92%
2024 target

95%
2023

73%
2021 base year

## Continuity for a secure and reliable digital society

We safeguard efficient, reliable and secure communication by combining different network technologies, our hybrid cloud and our management system. This also enables quick scaling to respond to exceptional situations, such as the incident involving damage to a redundant submarine cable between Finland and Estonia in October 2023, which did not impact the functionality of Elisa's services. We have increased our efforts and focus to ensure a high degree of resilience and continuity, as well as well-functioning, reliable and safe digital services that we provide for our customers and for society in Finland, Estonia and internationally.

During 2023, Elisa continued to modernise its own network to offer better-quality services to replace copper-based technology. Optical fibre connections enable gigabit internet speeds (up to 100 Gbit/s) and bandwidth for all the devices at home and for several users at the same time, without connections becoming congested or slowing down.

We ramped down the 3G mobile network at the end of 2023. In Estonia, we are in the process of phasing out 3G technology by the end of 2024. Currently, we are conducting thorough preparation work to ensure a seamless transition to new technologies and to continue delivering high-quality mobile internet connectivity to our customers.

During 2023, we continued to expand our more energy-efficient 5G mobile networks in Finland and Estonia. In Finland, the network coverage reaches over 92% of the population, and over 75% in Estonia.

Ensuring everyone's safety while building the network is of the utmost importance to us. Elisa complies with all regulations from the Finnish Radiation and Nuclear Safety Authority (STUK) and other authorities.

In May 2023, Elisa received a national Facility Security Clearance certificate from the Defence Command Intelligence Division in Finland, strengthening Elisa's security level and enabling reliable storage and processing of classified information. The certificate has been issued for safety class TL III level and is valid until 2028 .

In Finland, Elisa's network had no serious incidents (severity rating A) in 2023 (source: Elisa, Finnish Transport and Communications Agency).

We continued our work by increasing the automation of Elisa's operations and services for 24/7 monitoring, of which the Information Technology Infrastructure Library (ITIL) incident management process is an integral part.

We have a long and solid history of working to safeguard our network functionality and safety in Finland: we established our Cyber Security & Service Operations Center (cSOC) in 2009 and have had security incident management since 2015. Similarly, Elisa Estonia has developed and extended its own rapid response system specifically for the Estonian market to ensure rapid elimination of failures in off-road vehicles and remote batteries. Furthermore, in Elisa Estonia, we are modernising existing cell towers, enhancing their resilience and autonomous electric power capabilities in line with Estonian regulations.

More about network disturbances in Finland (in Finnish) elisa.fi/hairiotiedotteet, elisa.fi/hairiokartta, elisa.fi/muutostiedotteet and elisa.fi/verkkoapuri.

## Frontrunner in digital trust and cyber security

The year 2023 was a busy one in the cyber world. Our main target is to provide secure connectivity and services to both consumer and corporate customers, and we are a critical infrastructure provider in Finland.

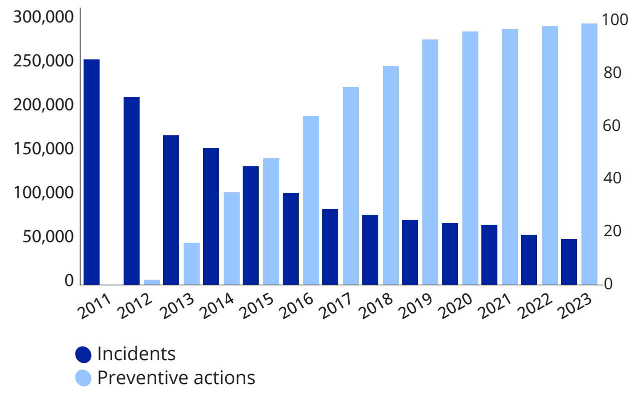
In 2023, our internal focus has been on developing overall cyber resilience as well as increasing general awareness of cyber issues and upskilling people. Sudden changes in the operating environment require extensive information-sharing and situational awareness. Active and consistent communication has been crucial between individuals, internal and external stakeholders as well as authorities.

In 2023, there was a breakthrough in preventing and stopping spoofed calls from abroad. Elisa was the first telecom operator in the world to take concrete technical measures against caller ID spoofing. The Finnish Transport and Communications Agency Traficom introduced a regulation based on Elisa's solution in October 2023. We also piloted preventive SMS spoofing solutions, for example with Posti Group in Finland.

Elisa 3G schedule

Network safety

## Elisa network incident management development




**In 2023, even though usage of our services has increased, our continuous work to reduce the number of network incidents through preventive and other measures enabled us to reduce the number of incidents by 80% compared to year 2011.**

**Elisa is the first operator in the world to take concrete technical measures to prevent caller ID spoofing, which is also the basis of the Traficom regulation that took effect in October 2023.**

**Jukka Pietarinen**
**Security Manager**

## Upskilling and raising awareness

A good level of cyber awareness and skills are key elements in building a positive cybersecurity culture within society as a whole. In 2023, we intensified our communication on cyber security in Finland and in Estonia by sharing timely information with our customers and other stakeholders to strengthen and support their cyber-resilience. We updated the Elisa Trust Center website to provide more detailed information, for example, on cyber defence, threat intelligence and attack surface management. Continuing to communicate our insights on the current cyber environment, we published Cyber Security Outlook 2023 in June. We provided presentations in various public and customer events on current security topics.

Internally, we have shared cyber news, information about topical issues, guidelines and instructions for specific topics, explaining the current threat environment and incidents, and providing guidance on being more secure, at work and outside it.

Through continuous training, we ensure that our employees recognise their own roles and responsibilities in maintaining the security of the entire organisation. Learning paths and self-learning possibilities were provided for upskilling in cyber security, including an online information security training course. During 2023, we piloted new micro-training solutions for more in-depth cybersecurity skills. In addition to these, we have continued our AI-powered phishing simulation exercise with good success: 98.5% of all simulations were reported in 2023.

In Estonia, we organised Elisa TechDay – the largest IT and management conference in Estonia – for our corporate customers, partners, other citizens and Elisa employees to increase awareness of cyber security. The 18th occurrence of the event, opened by the President of Estonia, Alar Karis, focused on cyber security, management, future technology and innovation, and had over 830 participants. Several discussions and presentation talked about AI and growing into a digital nation. Our Estonian cybersecurity experts participated also in other events and panel discussions at national level on cybersecurity issues.

Elisa Trust Center

## Continuous improvement in our cyber security

At Elisa, developing cyber security is an ongoing process with a systematic approach to development activities. Our cyber leadership toolkit contains, for example, a regularly revised and updated cyber security roadmap, annual clock, cyber risk assessment, cyber threat landscape analysis, Cyber Security Index and cyber defence capabilities model. in 2023, cyber security maturity benchmark studies were carried out both by the national Finnish National Cyber Security Centre (NCSC) and using our internal, more in-depth maturity assessment models. We carried out development planning out according to maturity assessments carried out by each measured business unit. All of these elements help us to build better resilience, situational awareness and capabilities.

During 2023, our Cyber Security Index (used to measure our performance in cyber security) was remodelled to better illustrate ongoing development actions within Elisa.

In 2023, we mapped the information security and data protection status of our partners and performed 16 security audits. We have also increased our auditing resources and competences.

Similarly in Estonia, we have continuously improved our cybersecurity practices. For example, Elisa Estonia has implemented multifactor authentication and a process to identify and repair infected active devices in our network. Our Estonia-specific cyber security stream continued during 2023.

We expanded our mandatory security certificate training across the Elisa group, including all subsidiaries (with a participation rate of 87%), complemented by other security training courses targeted at specific roles.

In accordance with the Finnish Act on Security Clearances, Elisa completes reliability assessments with a Finnish security clearance for those roles where security clearances can be carried out. In 2023, we completed over 3,000 security clearances. The same security obligations and security clearance requirements that apply to Elisa employees also apply to employees of our partners who work for Elisa.

Test your cyber skills (in Finnish)

## Building cyber security in collaboration

Elisa collaborates closely with external stakeholders, including the authorities, customers and partners, and we are increasingly involving our supply chain in developing our cyber security.

Our prevention methods raised interest worldwide as Elisa, the Finnish National Bureau of Investigation and Traficom were invited to speak at the RSA Conference 2023 in San Francisco, USA – the biggest and most prestigious security conference in the world – about battling spam calls and mitigating caller ID spoofing.

in 2023, Elisa continued to participate in several ISACs – shared information sharing and analysis centres for authorities, internet and ICT service providers.

Elisa also continued to share expertise in preventing cybercrime with Europol. Close collaboration with Community of Telecom Professionals (ETIS) operations continued. At ETIS, Elisa is as founding member, for example, of the preparedness and scam prevention groups.

In 2023, Elisa organised four cyber exercises together with the authorities and organisations that are part of Finland's critical infrastructure (e.g. Fingrid and the Parliament of Finland). The main purpose of the joint exercises is to share best practices and to improve knowledge and resilience in crisis situations. The actual topics and scenarios for the exercise are chosen together with the organisations based on actual need. In addition, Elisa organised an extensive preparedness exercise in September to practice our ability to respond to crisis and emergency situations. The exercise was attended by approximately 100 people, including Elisa, the authorities, a customer critical to security of supply and a significant partner of Elisa. The exercise tested the functionality of the contingency plans, communication channels and the command and control system based on the situation described and the tasks assigned.

## Our cyber contribution to society

With our expertise in cyber security, we can help our stakeholders to be safer in the digital world, and therefore to minimise the threats and fear related to using digital solutions. As part of our mission – a sustainable future through digitalisation – and our corporate responsibility, we took part in several knowledge-sharing and cyber-awareness programmes. Elisa was one of the mentoring companies in #CyberCivicDuty (#kansalaiskyberteko), which is aimed at strengthening Finnish society's digital security skills. Elisa specialists also participated as subject matter experts in events run by the Digital and Population Data Services Agency.

Elisa was one of the partner companies in "Watch out, verify, warn others", a Finnish public awareness campaign about scams and financial fraud launched in March 2023. Elisa continued to support and contribute to the Next Gen Hack FI association in developing and increasing awareness of information security and ethical hacking among people aged 15–25.

For several years, Elisa has been promoting diversity through Women4Cyber FI by providing networking possibilities and knowledge sharing for the cyber community. In 2023, Elisa was one of the mentor companies in the Skills for Jobs Cloud and Cybersecurity study programme, which introduced a new kind of free, fast-track microdegree for anyone.

Elisa is an active member of Digipooli, a cooperation network of companies and authorities in developing preparedness and resilient services. Elisa employees are also active in other special interest and working groups, such as Finland's National Emergency Supply Agency and the Helsinki Regional Chamber of Commerce.

At Disobey 2023, the Nordic security event, Elisa and Wärtsilä provided a joint demo production factory in which the participants were able to test their hacking skills.

In 2023, Elisa's cybersecurity skills continue to be internationally recognised. The world's largest cyber defence exercise, Locked Shields, which Elisa participated in, brought together more than 3,000 participants from 38 countries. NATO's Cooperative Cyber Defence Centre of Excellence (CCDCOE) hosted an exercise to protect real computer systems from real-time attacks and to simulate various tactical and strategic decision-making situations.

Elisa Trust Center

Elisa's Bug Bounty programme, which enlists benevolent hackers to find vulnerabilities in our services in exchange for monetary rewards, has been ongoing since 2018. During 2023, some 713 people registered for the programme (for which totally 4,082 people have registered), and we received 148 reports on vulnerabilities, paying out USD 15,500 in monetary rewards.

We develop and provide services together with partners, from whom we also require continuous development on cyber security and data protection. Our target is that Elisa's partner network fulfils Elisa's supplier requirements, and therefore, we have expanded our security certificate training to our suppliers. So far, 65.3% of our supplier employees who work directly with Elisa have completed the certification.

**Cybersecurity exercises with organisations operating with critical infrastructure are part of Elisa's annual sustainability targets.**

**Riku Juurikko**
**Head of Preparedness & Cyber Resilience**

## Safeguarding peoples' privacy

Data protection is a fundamental human right. As a significant amount of personal and other confidential data flows through our hands, we want to retain the public trust on our digital infrastructure we maintain. Our goal is for all Elisa employees to complete Elisa's security certificate training annually, including data protection topics. Furthermore, employees receive continuing, role-based data protection training covering various topics, including processing confidential traffic data. In addition to Elisa's own employees, we provide data protection training to our partners' employees.

We take Elisa's data protection principles and policy into account whenever we process personal data in our operations. Elisa has approximately 300 Data Protection Ambassadors and around 20 Data Protection Coordinators working in different functions, including in our subsidiaries. They have received in-depth data protection training, and thus contribute to ensuring the implementation of data protection in our everyday activities. In addition to compliance with regulations, data protection is a business enabler. We have automated our services so that our customers can easily exercise their right to access their data.

In 2023, Elisa received over 7,800 personal data inquiries, indicating our customers' interest in their right to privacy. During 2023, significant legislative actions affecting data as well as cyber and information security and artificial intelligence were underway in the European Union. The purpose of the new regulations is to further improve the data security of natural persons and the competitiveness of European companies. We are also developing our own data protection administration and operations through continuous improvement in a constantly changing digital environment.

Elisa data protection

## Responsible use of information and AI

Elisa is a data-driven organisation, and data is at the core of our business. Therefore, we aim to develop our data-driven culture further.

In 2023, we published a training course for all Elisa employees called "Data quality for business" along with our Data Quality Guidebook.

We ramped up the Elisa Data Quality community, which is open for all Elisa employees to become data guardians, sharing guidelines and good practices and organising training.

The Elisa Data Catalog, which our data quality platform is integrated with, boosts collaboration and provides a solid foundation for further development of data governance. It provides a platform where users can search and navigate through hundreds of BI reports, the underlying data and the relationships between business and technical assets. Among other features, the Elisa Data Catalog supports transparency, automated responsibility identification and data quality issue management.

During the year, we further harnessed automation and artificial intelligence, including generative AI (GenAI) and foundation models to understand the opportunities and risks for Elisa. The impact of foundation models as part of our strategy work was reviewed by Elisa's Board. Elisa's values, Code of Conduct and ethical principles for data and AI form the basis for responsible data management, which we complemented with internal legal evaluation framework and guides as well as tips for responsible use of new types of GenAI models.

For sharing information and knowledge internally, we established an AI community and organised the Women in AI breakfast event. In 2023, Elisa launched a Practical AI training course in cooperation with Microsoft, Kajaani University of Applied Sciences (KAMK) and Sulava.

Robotic process automation is one of the key digitalisation tools at Elisa. During 2023, we reached around 6.6 million robotics transactions with estimated time savings of around 113,000 hours due to automation.

## Benefits of data and AI for our customers

Collaboration between businesses and across sectors is a strong asset for Elisa in developing technologies and services, assisted by data and automation. We can achieve proactive and predictive operations by collecting, analysing and understanding data, powered by AI and machine learning.

In addition, integrating and sharing data are important steps in enabling data-driven management and decision-making, which benefits both us and our customer.

For developing awareness and AI skills we conducted business trials and workshops in cooperation with customers (e.g. L&T, Otava) and organised customer training about GenAI.

### Supporting national healthcare reform

The health and social services reform in Finland resulted in transferring the responsibility for organising public healthcare, social welfare and rescue services from municipalities to 21 well-being services counties.

Elisa Navitas has been supporting this transfer by providing patient consent management services, which have been integrated with the national Kanta services. This has supported patient data-sharing in the new organisational structure and has helped wellbeing services counties to create a summary of patient data stored in different patient information systems.

In 2023, the Digihoiva video service grew from having two customers to being used by eight wellbeing services counties. There are more than 2,200 users of the service, and the number of physical visits has decreased due to the smooth Digihoiva video service. Student cooperation has continued with schools (e.g. Laurea University of Applied Sciences), including theses on digital care and Elisa Digihoiva. Real-time digital consultation (Elisa eKonsultaatio) helps in finding the right social and healthcare services electronically, saving patients' time and streamlining collaboration between professionals by decreasing the amount of referrals to doctors.

Our health care services (in Finnish)

### Accelerating AI solutions

Elisa received Microsoft Solutions Partner for Microsoft Cloud recognition in Finland, e.g. in Security and Data and AI (Azure). Microsoft Copilot cooperation tackles one of the key challenges when working with AI – getting it to understand the context of the task assigned to it, which we have also identified in the Elisa Ethical Principles for Data and AI.

Elisa has developed an advanced natural language processing solution (NLP) for the Finnish language. NLP can be used in customer experience operations to help customers get more issues solved with AI-based machines, instead of leaving customers hanging for a long time in a phone queue. Generative AI and the Elisa Puhebotti chatbot enable real-time language interpretation, e.g. in customer service.

In Estonia, with the unique Elisa voice-speaking Annika AI chatbot, we have reached our goal of automating 10% of inbound contacts and even exceeded that, by achieving over 11%. The goal was set in 2018, when we had just released our chat channel with primitive automation capabilities, not knowing how far we could take it.

To ensure data protection for our customers, we use a text anonymisation model to train the AI model.

Elisa's Internet of Things (IoT) service enables remote location tracking and real-time asset management, monitoring and adjusting of e.g. temperature, air humidity, $CO_2$ and VOC, as well as water metering and water consumption.

### Data-enabled solutions to promote material efficiency in our international business

Elisa uses data to ensure that our network functions as well as possible and is as reliable as possible. Through Elisa Polystar, we also provide the same kinds of data-derived, resilience-enhancing network insights and automation to other teleoperators.

By adeptly collecting, analysing and managing data, we optimise resource use, minimise waste, and promote sustainable growth through our IndustrIQ business. Sharing and integrating this data not only bolsters efficient operations, but also underpins our commitment to environmentally responsible business practices.

The semiconductor industry is grappling with environmental challenges due to high energy consumption and resource-intensive processes. The ICT sector is responsible for a growing amount of global energy consumption. The semiconductor industry's water-intensive nature further exacerbates these environmental challenges. Elisa IndustrIQ's AI and machine learning (ML) solutions play a pivotal role here by early identification of production inefficiencies. By catching these inefficiencies, manufacturers can significantly enhance yield and quality, leading to reduced waste and contributing directly to sustainability goals.

In another key initiative, we address the inherent limitations of traditional manufacturing forecasting methods, which rely heavily on historical data, often resulting in overproduction, leading to unnecessary resource expenditure and excess inventory.This approach stands contrary to sustainability principles. Elisa IndustrIQ's demand sensing solution addresses this challenge by integrating diverse datasets to refine forecasting. This innovation not only drives operational efficiency, but also champions sustainability through precise resource allocation and minimised waste.

We're also forging paths to ensure workplace safety through AI. Our AI-driven solutions, integrated with our health, safety, and environmental (HSE) platforms, offer a holistic approach to HSE processes, emphasising our dedication to employee welfare and environmental control.

Elisa's distributed virtual power plant (DES) is the first such system in the world to be integrated into telecom infrastructure. Its control system software and AI/ML modules have been developed and implemented by Elisa.

Artificial Intelligence & Machine Learning - Elisa IndustrIQ

Read more about DES

**Elisa's international software businesses, Elisa IndustrIQ and Elisa Polystar, provide clear examples of the importance of utilising data and the potential sustainability impacts it can provide.**


# Social sustainability

# We advance a fair and digitally inclusive society

**We respect human rights and follow Elisa's Code of Conduct when working with our customers, partners and other stakeholders. Non-discrimination, equality, good management, wellbeing, and occupational health and safety are essential themes for Elisa.**

Elisa is an important employer in our domestic markets, Finland and Estonia. More than 85% of our workforce is in domestic markets. However, as an increasingly international company, we also employ a growing number of professionals in various locations globally to work for our digital service businesses around the world. In addition to our own direct work force, we also employ over 6,000 of workers through third-party employment agencies.

A major part of our workforce is in technology development, sales or customer support positions. This work requires specialized knowledge, skills and experience in the information and communication technology (ICT) sector. We work mainly in office environments. However, a limited number of our own workers do maintenance work also in telecom networks or other technical premises.

## Targets and Performance 2023

**Share of women supervisors**

30%
2022

29%
2023

32%
2024 target

**Elisa's high-speed connection availability to all Finnish households**

86%
2022

92.5%
2023

100%
2025 target

We measure our performance as an employer through twice-yearly personnel engagement surveys, which are conducted among our own (employed) workforce. The long-term goal is to be among the top 10% of employers globally.

In 2023, our Engagement Score was 77, i.e. at the same level as last year.

Through our strategic focuses on HR (action-taking, learning and inspiring career, improving our caring and well-being services as well as talent attraction), we are contributing to Elisa's sustainability goals and also enhancing our employee satisfaction, well-being and long-term success.

## Well-being and proactive action-taking

Supporting employees' ability to cope at work not only benefits employees' well-being, but also enhances overall job satisfaction and productivity. We promote a work environment that supports employees work–life balance, acknowledges stress factors, and advances resilience and coping strategies. We address fair management through systematic measures to ensure both the flow of work and the ability to work. We aim to improve our capabilities to identify factors that threaten employees' ability to work in a safe and good working environment. The role of supervisors is to ensure psychological safety to provide an open dialogue as well as support if there are changes that may affect the flow of work or the well–being of subordinates at work. We empower employees to take responsibility for their own ability to work and their well-being at work by providing easy-access tools and services accordingly.

In 2023, Elisa updated its early support process. The goal of the early support process update was to lower the threshold for discussion about work ability and well-being, as well as to improve the availability of our tools to support working capability. The updated process was communicated internally and introduced into Elisa's manager and leadership training.

Elisa Estonia continued implementing the four-day work week in the technology unit during the summer. Company offers all interested departments the option to pilot a four-day working week in Estonia throughout 2024. While it won't become the regular working pattern, units and departments are empowered to choose the most motivating cycles while maintaining customer orientation and collaboration.

In Finland, Elisa made available an online, low-threshold mental wellness service. It supports employees' in coping both at work and at home before challenges pile up into problems. It also provides a stigma-free environment where employees can feel comfortable seeking help for mental issues, if needed. In addition, Elisa Estonia offered online training on stress management, resilience and coping strategies to provide resources on stress reduction techniques as well as tips for a healthier life.

## Common values and mission

Over the course of time, Elisa group has grown not only organically, but also through mergers and acquisitions. This growth and internationalisation provides many benefits, not only for the company, but also for Elisians to learn and have inspiring career paths. Simultaneously it requires the company to pay attention to nurturing common values and a shared company culture. Elisa's values address common ethical principles that guide the behaviour of Elisians in different organisations contributing positively to the organisational culture and promoting collaboration.

In 2023, we continued holding values workshops by introducing the concept to Elisa Polystar. In addition, we started our values dialogue to revisit our values to see whether they could be changed to better meet Elisa's current operational requirements.

Elisa continued to take persistent action to promote diversity, equity and inclusion in working life by improving our own operations, as well as through leadership coaching and training. Together with a partner, we organised a webinar directed at managers on the topic of "Neurodiversity in the work community". Among other things, the webinar discussed how managers can address the diverse needs of employees and how to talk about topics using non-discriminatory terms. We continued organising gender bias training for supervisors, and we promoted gender diversity through an internal and external campaign, including a webinar for all Elisians.

For the fifth year in a row now, in 2023, Elisa participated in Pride along with its telecom peers. In addition to promoting the importance of diversity, these companies submitted common premises for equity and equality in working life together to fight discrimination and promote a diverse working life.

### Promoting social sustainability at the customer interface

Our secure and reliable connectivity services enable millions of people to use digital services whenever and wherever it is most convenient and practical for them. One of our key objectives is to improve the coverage of high-speed connectivity in our main markets of Finland and Estonia, enabling everyone to participate in a digitalising society.

We improve our operations through continuous dialogue with customers and by regularly collecting feedback on our performance. In addition to Net Promoter Score, we collect feedback through customer satisfaction surveys both in Finland and Estonia. In Finland, we also use regional councils, which give us valuable feedback from stakeholders in each region.

In 2023, we continued our work in ensuring ethical sales as well as respecting customers' privacy. Elisa updated the guidelines for customer encounters to ensure that we better meet customers' expectations and needs, we promoted our way of working to better serve elderly customers, and we started working to increase transparency about quality in our telesales last year. In 2023, the company continued to introduce these guidelines into our customer operations in Finland. The focus has especially been on providing better support for older customers in coping with smart devices and applications.

We have e.g. organised customer service training to enable better service for senior customers and improved service-specific sales methods, e.g. concerning Elisa Viihde (Elisa's streaming entertainment service).

We continuously cooperate with Finland's largest organisations for older people (Enter ry, Mukanetti ry, Joen Severi ry, Savonetti ry). In 2023, we participated in the DigiAgeTAlk 2023 event organised by VALLI and VALLI Gerontechnology Center. We arranged a specific event about digitalisation and information security for elderly people together with VALLI. Based on the positive we feedback we received, we will continue organising events for seniors.

### Safeguarding children online

The results of our surveys conducted in 2023 revealed that children's safety online and inappropriate content continues to be one of the key concerns that parents and caregivers have about digitalisation. The study also showed that two thirds of respondents have agreed on rules for their children's smartphone use.

During the year, we continued Elisa's digital security schools in several locations nationwide. Positive feedback and demand for these digital schools encouraged us to launch our virtual digital security school in October, which uses short videos to teach children how to detect scams, maintain their privacy, create strong passwords and stay safe online.

In addition, we launched a "digital safety driving licence" (Digiturva ajokortti), which is a digital test for children and young adults aiming to further increase awareness about how to stay safe in digital environments. We have also published specific material for parents with tips and instruction to complement the virtual material and help parents to better support children's safety online. For each children's smartwatch that we sell, we contribute EUR 5 to the phone and chat support service for children and young people operated by the Mannerheim League for Child Welfare.

Our continuous collaboration with the authorities and other industry players focuses on preventing and increasing awareness of child sexual abuse material (CSAM).

More about our actions: Children and digitalisation

**"Running Elisa's digital security schools together with Elisa's digital security experts has been very rewarding. In my opinion, nothing is more important than educating young people. It's a wonderful act of responsibility that Elisa has set out provide training in safe digital skills for them.**

**Inari Fernandez**
**Influencer & writer**

> **We consistently aim to increase our positive impact on human rights while minimising any potential negative effects, both within our own operations and throughout our value chain. In 2023, we took important steps to strengthen our human rights due diligence process and established a dedicated human rights steering group.**
>
> **Sudina Shrestha**
> **ESG Manager, Elisa**

### Inclusive digitalisation benefits all

Accessibility promotes inclusivity, equal opportunities, and respect for human rights. It benefits all of us. Accessible technologies and environments empower diverse kinds of people with diverse capabilities to live more independent and fulfilling lives.

Accessibility is an important part of our mission: a sustainable future through digitalisation. By embracing accessibility, we create a more equitable and accommodating world for all people, regardless of their abilities or impairments. For us, accessibility means quality and safety as well as ease-of-use and availability services. Through our work on these, Elisa promotes digital inclusion as well as the customer experience and successful customer interaction.

We continued our work on improving our capabilities in developing the accessibility of our services. We measure our performance against our accessibility target with an accessibility index that consists of technical and process improvements, internal training measures and audits. Through the continuous development work for accessibility, we ensure that all of our customer-facing digital services are compliant with the accessibility legislation that came into force in Estonia in 2022 and Finland in 2023.

During 2023 we adjusted our way to better measure progress in accessibility work and developed working methods to ensure more systematic development of our capabilities in service development. Elisa has developed and introduced required design components directly into Elisa Design System to ensure integration of accessibility features to the whole design process.

Over the course of 2023, the Elisa Design System in Finland improved from less than 50% of components to achieve accessibility in more than 90% of all design and development components.

Third-party audits continued in Finland and Estonia, including e.g. Elisa Raamat (Elisa Estonia's eBook service) and an extra audit of the self-service customer portal.

Elisa has been working for several years to improve speech recognition specialising in the Finnish language. The aim of the work has been to enable better interaction between humans and machines in customer encounters. Through speech recognition and text-to-speech technology, natural language processing (NLP) can enable individuals to interact with digital content and applications, ensuring inclusivity and equal access to information and services. Furthermore, the service improves the customer experience as well as efficiency in customer service. In 2023, Elisa introduced an improved model that transforms speech into data utilising AI capabilities.

We have included Accessibility topic on our websites in Finland and Estonia, with tips available for screen readers, and we published the Elisa Ring accessibility statement.

More about our actions: Accessibility

## Human rights due diligence work requires continuous development

Respect for human rights is fundamental to our responsible business conduct and our mission of a sustainable future through digitalisation. We work every day to protect people's digital rights by safeguarding their privacy in a safe and reliable digital environment and by advancing a fair and digitally inclusive society.

We are committed to respecting human rights in accordance with the United Nations Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises throughout our value chain. Our commitment and statement is established through our Human Rights Policy. We expect the same commitment from all our business partners and suppliers across our entire value chain.

## Improving knowledge and understanding

In 2023, Elisa continued its measures to improve its human rights due diligence processes with an emphasis on procurement operations and on international sales.

Elisa revisited its human rights impact assessment and further assessed the potential and actual risks rising from the impacts identified. External human rights experts provided sparring and assistance. The work was also enriched through engagement and discussion with internal stakeholders and participations in external human rights events e.g., the Business and Human Rights working group.

To share the understanding of carrying out human rights due diligence execution, we organised internal training aimed at experts in human resources, including international HR, corporate security (including information security, procurement and the Compliance function). In addition, all Elisians were invited to UN Day in October, where the human rights due diligence process was presented to all.

Elisa also established a human rights steering group with responsibility to ensure continuous due diligence development work across the organisation.

More about our actions: Human Rights

## Promoting sustainability together with our global suppliers

Our suppliers play a vital role in supporting the realisation of our mission: a sustainable future through digitalisation. This is done by setting out the social and environmental requirements – and accountability – for our suppliers and raising awareness, as well as through collaboration.

In 2023, we paid EUR 1,017 million to our suppliers and subcontractors.

In Elisa, our procurement organisation and our business vendor managers have key roles in ensuring continuous development of our responsible sourcing. Currently, we have named responsible people for 181 suppliers to ensure continuous dialogue and improvement.

Accurate and comprehensive supplier data is essential for us to assess and improve the sustainability and overall performance of our supply chains. In 2023, we continued our persistent work to improve our supplier master data coverage and its accuracy as well as supplier risk management. As a result of this work, we have established regular reporting, enabling us to review our main suppliers' overall risk status.

We continued raising knowledge and awareness of sustainability, the climate and human rights, internally and externally. We introduced online training on our code of ethical purchasing in Estonia and continued promoting this training also in Finland. In addition, we continued the CDP Supply Chain programme among our suppliers by inviting all of our main suppliers to disclose their environmental data as part of the programme. Almost 63% of our top 166 suppliers responded. We also arranged further human rights due diligence training, including in procurement services. We have continued to participate in industry-level collaboration on sustainability.

In addition, we conducted several separate joint sustainability projects with our suppliers, examples being working on the development of more energy-efficient antennas and providing carbon-neutral laptops for our employees.  On top of these, the war in Ukraine and the geopolitical situation in 2023 required a specific focus on enhancing our supply chain resilience to ensure business continuity.

Elisa's Supplier Sustainability working group (with members from the procurement, business and corporate sustainability functions as well as from Compliance) coordinates the promotion of sustainability and sustainable development measures. The working group focused its efforts on the supply chain for equipment and products. In 2023, the working group met four times. The main development areas were:

- Establishing joint development projects with suppliers relating to sustainability
- Defining and introducing sustainability-related questions as part of competitive tendering
- Inviting top vendors to set carbon emission reduction targets.

In 2023, we conducted 16 security audits of our suppliers. In addition to that, 137 social audits were conducted in our supply chain through Joint Alliance for CSR (JAC) cooperation. The audit results did not lead to any partners being rejected. During the audits, we identified a variety of deficiencies to be corrected, involving topics such as occupational health and safety, the environment and working hours. The audit results were collected in a database and findings for corrective actions are monitored regularly.

Elisa's responsible supply chain

## Social cooperation projects

Participating in social dialogue is important for Elisa. We are engaged in persistent work towards the wellbeing of young people, in particular.

During 2023, Elisa continued to support the people of Ukraine by e.g. providing free calls and text messages to Ukraine, as well as free data roaming in Ukraine. Elisa has also donated mobile devices and computers, coordinated in cooperation with Apukeskus.

The Shed Foundation was established by Elisa in 2017, and the chair of the Board is Elisa's CEO, Veli-Matti Mattila. The foundation supports work for children and young people, focusing on diversity and children with special needs. The foundation produces creative events, such as musicals, together with several organisations and partners. In Helsinki, Shed organised the musical *The Snow Queen*. In Joensuu, they performed a play called *Digitopia*.

Elisa has been promoting digital skills among Finnish children with Elisa Digischools. Since 2014, an estimated of over 2,000 children have studied in Elisa Digischools. The main focus of the educational content has been on the basics of coding and programming. In the digital schools, children aged 10–12 have been able to get to know robots, the Internet of Things and digitalisation, among other things. During 2023, we have focused on digital safety training for children.

In 2023, we conducted collaboration with the Deaconess Foundation to identify the challenges young people face with mobile devices and to find solutions to improve well-being among young people.

Elisa has been a partner of Nenäpäivä-säätiö and its Nose Day event for more than ten years, and in 2023, we again participated in helping with the campaign as well, together with more than 40 people from Elisa.

Elisa's cooperation projects


# Economic sustainability

# We intensify innovation and drive sustainable value creation

Increasing productivity, expanding our digital services internationally and creating value with data, as well as our strong investment capability, enable the creation of value, a major part of which is redirected to benefit society.

Elisa's long-term good financial performance continued in 2023, despite increased salary costs, inflation and geopolitical challenges. By operating in a responsible and profitable manner, we provide long-term value for society.

Our economic sustainability is based on creating sustainable value for society through investments, innovations, salaries, taxes, dividends and supply chain collaboration.

We also participate in how our societies develop through our patented innovations as well as global research and startup cooperation.

### Financial effects 2023 (2022), EUR million

**Revenue**
**2,180**
(2,130)

| Payments to suppliers and partners | Salaries paid | Dividends paid | Corporate taxes paid | Capital expenditure investments |
|---|---|---|---|---|
| **1,017** (1,008) | **417** (395) | **362** (338) | **83** (83) | **321** (290) |

### Targets and Performance 2023

**Number of new patents applications**

80
2022-2023

>100
2024 target

**Continuous profit growth in accordance with medium- term targets**

Elisa's medium-term financial targets: elisa.com/investors

## Information in accordance with the EU Taxonomy

Digitalisation continues to play a pivotal role in driving an economically and socially sustainable green transition. Elisa is dedicated to promoting a sustainable future through digitalisation. Our primary business is the telecommunications industry, where we provide reliable and secure digital connectivity services to our corporate and consumer customers in Finland and Estonia. Meanwhile, our growing international digital businesses offer a wide range of software services for manufacturing and telecom customers globally.

The European Union's sustainable finance package includes the Regulation on sustainability-related disclosures in the financial services sector (Regulation (EU) 2019/2088), which requires financial market participants to assess and provide information on the sustainability of their investment products. The Taxonomy (Regulation (EU) 2020/852) defines harmonised and scientifically based assessment criteria for environmentally sustainable economic activities. In 2023, the EU Taxonomy Regulation published technical requirements regarding all of the six environmental objectives. Elisa assessed all of its economic activities against eligible definitions of the EU Taxonomy under all objectives. The assessment was conducted together with Elisa's business and technology experts as well as business-specific financial controllers. As a result of the assessment, we have identified eligible economic activities in climate change mitigation (CCM), climate change adaptation (CCA) and transition to circular economy (CE) objectives. Telecommunication businesses continued to be excluded from the regulation, and therefore our financial KPIs were limited.

We continued to develop the alignment assessment of our business activities against the substantial contribution criteria within the sector 8 (Information and communication) in activity 8.1 (Data processing, hosting and related activities) for CCM and 8.3 (Programming and broadcasting activities) for CCA objectives. In 2023, the assessment for activity 8.1 (i.e. the data centre service business) resulted in an alignment of 19%. The change in alignment was due to the transition of the cooling system in one of the data centres. Actions to develop and improve our data centre operations are ongoing. For 8.3 (Programming and broadcasting activities, i.e. Elisa's entertainment businesses including Elisa Viihde and Elisa Elamus), Elisa conducted a life cycle assessment for the Elisa Viihde service, and one is planned for the Elisa Elamus service next year. With this assessment, the entertainment business fully meets the alignment criteria.

Further alignment of the sustainable projects was met within the sector 4 (Energy) in the activities related to CCM: 4.25 (Production of heat/cool using waste heat), 4.10 (Storage of electricity), and 4.1 (Electricity generation using solar photovoltaic technology). This is in line with Elisa's commitment to sustainable operations. As an example, investment in Elisa's Distributed Energy Storage (DES) system (activity 4.10) facilitates a virtual power plant that controls and optimises distributed energy storage capacity in the radio access network, allowing optimal use of sustainable energy.

An eligibility assessment was conducted for CCM objectives in sector 4 (Energy) in activity 4.22 (Production of heat/cool from geothermal energy) and 4.16 (Installation and operation of electric heat pumps); 6 (Transport), in 6.5 (Transport by motorbikes, passenger cars and light commercial vehicles); and 7 (Construction and real estate), in 7.7 (Acquisition and ownership of buildings). These activities met the eligibility criteria and alignment of these economic activities will be assessed and disclosed in next reporting period. For activities 4.1, 4.22, 4.25, 6.5 and 7.77, the eligibility is related to category C of CapEx and OpEx, and no revenue is reported.

Additionally, the eligibility of our circularity business activities was assessed against CE objective within sector 5 (Services), in 5.1 (Repair, refurbishment, and remanufacturing), which relates to Elisa's Fonum business, and 5.5 (Product-as-a-service and other circular use- and result-oriented service models), relating to Elisa's leasing service business. As a result of the assessment, these activities fully met the eligibility criteria.

In addition, we conducted evaluations of minimum safeguards and "do no significant harm" (DNSH) requirements for all aligned economic activities accordingly. Compliance with the requirements has been met through thorough analysis, documentation and third-party assurance.

The financial information came from Elisa's consolidated financial statements and complies with IFRS accounting principles. The allocated KPIs for the taxonomy were defined in accordance with the guidelines provided in Annexes 1–5 to Delegated Regulations (EU) 2021/4987 and 2021/2800. Data for revenue, capital expenditure, and operating expenses were drawn from Elisa's group-level financial statements for 2023. To ensure accuracy, we have diligently avoided double counting by classifying external revenue streams, CapEx and OpEx, into taxonomy activities only once, with third-party assurance of all calculations and results.

As a part of EU Taxonomy disclosures, Elisa also reports its activities related to nuclear power or fossil gases using the Template 1 presented in Annex XII of Delegated Regulation (EU) 2022/1214 and referred in Regulation (EU) 2021/2178 to in Article 8(6) and (7).

Elisa's EU Taxonomy disclosures 2023

Share of revenue

**8.4%** Aligned

**11.4%** Eligible

Share of CapEX

**4.1%** Aligned

**18.9%** Eligible

Share of OpEX

**0.4%** Aligned

**0.4%** Eligible

ESG data

> **Thanks to Elisa's service developers, with their AI & machine learning inventions Elisa's business can be made even more sustainable and profitable.**
>
> **Kari Lång**
> **Head of Patents**

### Investments in infrastructure and innovations

Elisa is the largest operator-investor in Finland. We invest approximately 12% of our annual revenues in networks and services in our core markets, Finland and Estonia.

With continuous investments, we are building and maintaining our comprehensive and secure fixed and mobile networks. We are able to introduce the latest technologies to meet the needs of our digitalising society and customers.

In 2023, our capital expenditure investments totalled EUR 321 million, targeted at the development of networks focusing on the 5G mobile network, fixed backbone, transmission and fibre network, as well as IT systems and customer terminal devices.

We are also investing in digital services in our core markets and internationally.

### Sustainability-linked financing

Sustainability goals are linked to Elisa's finance, and we are accelerating sustainable growth through Elisa's Sustainability Finance Framework, established in 2022. The framework covers our climate goals, as well as digital and social sustainability.

In 2023, we issued our debut Green Eurobond amounting to EUR 300 million. The proceeds from the Green Bond will be earmarked specifically for eligible projects and assets as set out in the Sustainability Finance Framework.

Elisa's long-term strategy implementation, promoting sustainable business and improving profitability, is reflected in strong demand for the company's debt securities.

### One of the top patent applicants in Finland

Elisa continues to be one of the top companies applying for patents in Finland. A prerequisite for patenting is invention reports submitted by employees, and 2023 was again a record year for invention reports.

Elisa's patentable inventions are typically created when developing Elisa's smart services for its own network domain and customers, as well as for the international telecom industry and manufacturing industry.

Innovations created in connection with the development of our own operations are also refined into smart services provided to the international markets.

The importance of patents and other intellectual property rights that protect innovations is highlighted in international business. Patents support turning innovations into business.

Elisa currently has 396 patents and patent applications, which are largely related to the automation and optimisation of networks and services, as well as automated service assurance.

Among other things, in 2023, we strengthened the protection of our technologies related to AI and machine learning, generative AI, cyber security and virtual power plants.

In 2023, Elisa filed 40 new first applications at patent offices.

## One of the largest corporate taxpayers in Finland

Elisa's core markets are Finland and Estonia. In Finland, Elisa was the 12th largest corporate taxpayer, and we paid 76% of all the corporation tax paid by telecom operators (confirmed tax data for 2022).

The taxes paid and accounted for by us in 2022 totalled EUR 577 million. Elisa's performance has a nationwide impact as almost half the corporation tax goes to 39 municipalities.

In Estonia, companies only pay corporation tax if they pay dividends to their owners. Elisa's subsidiaries in Estonia have not paid any dividends to the parent company. The global minimum tax regulation comes into force from 2024, and will apply to Elisa's Estonian subsidiaries.

Elisa is expanding internationally and now operates in 20 countries.

Elisa's tax data by country of operation, ESG data

## Tax Policy

Elisa is committed to responsible and efficient operations. By paying taxes and other public levies, we participate in the development of society in all our operating countries.

Elisa is committed to fulfilling its global tax obligations, which means operating in full compliance with all local and international tax laws as well as the OECD guidelines for multinational enterprises.

The Elisa Group Tax Policy establishes the main principles for how Elisa manages its taxes and conducts its tax-related activities. The Tax Policy includes a description of risk management, cooperation with authorities and whistleblowing practices.

Elisa's Tax Policy applies globally to all business units and companies within Elisa Group and to all kinds of taxes and duties, and it is supported by internal guidelines and controls.

Elisa's Tax Policy

## Original drama produced in Finland and Estonia increases our cultural handprint

Elisa is one of Finland's most prominent producers of domestic TV series and films. We have launched almost 40 original series, which have already been sold to more than 80 countries around the world.

In Estonia, we produced eight original series in 2023, as well as reality shows and collaborative series, making Elisa the largest series producer in Estonia for the reporting year. We are also the main sponsor for the biggest film festival in Estonia, the Black Nights Film Festival, and we support young film makers in collaboration with the Baltic Film, Media and Arts School.

In Finland, we launched collaboration with Nelonen Media with the goal of offering people in Finland a comprehensive selection of top-quality content, especially original series from Finland, as well as movies, entertainment programmes and sports. From October, Elisa Viihde original series have been available on the Ruutu+ streaming service. At the same time, we ended the Elisa Viihde Viaplay joint service.

Elisa has built a strong foothold in domestic Esports culture. Elisa hosted the annual Elisa Masters Espoo event in early December, and it has become a mainstay in Finnish Esports culture.

Our calculated cultural handprint in 2023 was EUR 44 million, including direct content purchases (mainly from Finnish parties) and and payments to producers, authors and copyright organisations.

**Elisa contributes to the sustainability of culture through the creation of professional in-house content in order to preserve local culture and tell the best stories. Through the production of high-quality and well-narrated stories, Estonia's narratives reach audiences both locally and globally.**

**Toomas Ili**
**Head of Content, Elisa Estonia**

**We have 100+ ongoing startup partnerships internationally, adding value across all our businesses. In 2023, our long-term startup collaboration reached an all-time high partner satisfaction score.**

**Eric Gargallo Serrano**
**Head of Elisa Startups**

### Innovating with startups

Elisa has a strong track record in startup collaboration. Since 2014, we have been working in close cooperation with startups, with the purpose of finding novel innovations with a strong focus on tomorrow's technologies. We aim to make the bridge between Elisa and startups smoother with a team of entrepreneurially minded people.

In 2023, we supported different business units to develop new businesses and services, enhance growth, and improve the quality of current offerings.

We have over 100 startup partnerships, and in 2023, we reached a record high partner satisfaction (NPS 82). We had 29 proofs of concept, 166 new meetings and four new collaborations.

Examples of collaboration in 2023 include:

Uizard: We have been validating how new tools and technologies, such as generative AI, can support Elisa employees in making their work more efficient. With Uizard, we explored how we can automate certain parts of our designers' work to allow them to focus on priority tasks.

FlyByGuys/Myx: Together with the Finnish drone startup Flyby Guys and Bulgarian startup Myx Robotics, we have been creating a digital twin of certain areas to enable us to optimise our radio network and antenna planning.

Additionally, we have been testing and adding different sensors and new devices from different startups globally to enhance our IoT B2B business.

We contribute to developing new 5G services, and we introduced a new analytics service: PeopleCounter (Supersight). The solution uses machine learning object detection that ensures 100% privacy and offers seamless people flow analytics in varied environments. It is aimed at property management professionals, hospitality service providers and event organizers. With a growing base of customers, including Turun Teknologiakiinteistöt, it provides the key to accurate office building occupancy rate measurement and real-time people flow analytics.

Furthermore, Elisa has reached a deal with Maria 01, the leading startup campus in the Nordics, to support entrepreneurs with more accessible offerings, and to help them to grow with our expertise and capabilities. The collaboration contributes to Elisa's mission and provides the best available technologies to all companies.

In Estonia, one of our successful cooperations with startups has been with Bitdefender, developing a cyber security service for our customers. Since April 2023, we have won nearly 1,800 new clients. We are planning to launch a similar product for corporate customers.

Another successful example is the Adact gamifying solution. We incorporated this to raise knowledge about our products and services internally, e.g. about Elisa Raamat and Elisa Huub. The most recent game, with a cyber security theme, also went out to customers and had over 2,000 participants in October alone.

Elisa's startup collaboration

## International research collaboration

Innovation is integral to Elisa's business, enabling us to develop sustainable services for digital society, both within Finland and on a global scale. We actively seek new opportunities for collaboration with top researchers across various scientific disciplines worldwide.

We have forged a robust collaboration between world-class academic researchers and Elisa's business operations. Over the past decades, Elisa has engaged in partnerships with over 100 researchers globally. This research collaboration plays a pivotal role in reinforcing our strategic decisions, deepening our understanding of fundamental insights and fuelling the positive impacts that we contribute to both business and society.

Between 2022 and 2023, we significantly expanded our research project portfolio and established academic partnerships with new institutions. Our focal areas include cutting-edge domains such as mobile network technologies (6G), advanced generative AI and multi-modal AI, data science and data monetisation, cyber security and privacy, and emerging technologies.

Mobile network technology is a cornerstone of our telco business. In pursuit of innovation, we have launched new research initiatives in collaboration with the University of Oulu, Tampere University and Aalto University, aiming to propel advancements in 6G. The outcomes of this research endeavour will be disseminated through scientific publications in the field of 6G, accompanied by the transfer of relevant technologies from the research phase to production. Elisa was also an active steering group member in multiple, long-term 6G projects funded by Business Finland (6G Bridge framework) in 2023.

AI holds the potential to generate significant business impact. We initiated a new research project focused on conversational AI with the University of Helsinki as the initial step toward a broader direction of visual virtual assistant and metaverse.

The Finnish Center for Artificial Intelligence (FCAI), and Elisa have cultivated an enduring collaboration over the years. A notable outcome is the awarding of a Ph.D. specialising in AI in 2023. Elisa remains dedicated to supporting the FCAI and its successor, ELLIS, in advancing and enhancing Finland's AI competence.

Data science empowers businesses with actionable insights. Elisa has a long history of collaboration in data science with multiple research groups at the University of Helsinki. By leveraging statistical human mobility data, the research has created significant societal impacts on urban dynamism and accessibility, segregation, outdoor recreation and city planning.

Elisa actively fosters collaboration across disciplines, institutions and sectors. Our research and innovation activities yielded tangible outcomes in 2023. Various business departments submitted new patent applications. Additionally, we have made substantial contributions to the scientific community by publishing multiple, peer-reviewed research papers in competitive AI/ML and network technologies venues.

In addition, through the HPY Research Foundation, we support scientific research, teaching and development work in telecommunications technology, telecommunications and data communications. By the end of 2023, the foundation had granted more than EUR 1.2 million in scholarships, mainly to postgraduate researchers at various universities. The library of the Foundation consists of 144 dissertations and theses.

Elisa Research collaboration

# Abbreviations

| | |
|---|---|
| AI | Artificial Intelligence |
| AR | Annual Review 2023 |
| CCDCOE | Cooperative Cyber Defence Centre of Excellence |
| CCA | Climate Change Adaptation |
| CCM | Climate Change Mitigation |
| CDP | Climate Disclosure Project |
| CE | Circular Economy |
| CGR | Corporate Governance report 2023 |
| CRMB | Corporate Responsibility Management Board |
| CRR | Corporate Remuneration report 2023 |
| CSAM | Child Sexual Abuse Material |
| cSOC | Cyber Security & Service Operations Center |
| CSR | Corporate Sustainability Responsibility |
| CSRD | Corporate Sustainability Reporting Directive |
| DES | Distributed Energy Storage |
| DNSH | Do No Significant Harm |
| ESG | Environmental, Social, Governance |
| ESRS | European Sustainability Reporting Standard |
| ETIS | The Community of Telecom Professionals |
| EW | Elisa Corporate web page |
| EWG | Elisa Governance web page |
| EWI | Elisa Investor web page |
| EWS | Elisa Sustainability web page |
| FCAI | Finnish Center for Artificial Intelligence |
| GB | Gigabyte |
| GHG | Greenhouse Gases |
| GRI | Global Reporting Initiative |
| HR | Human Resources |
| HSE | Health, Safety, and Environmental |
| ICT | Information and communications technology |
| ID | Identification |
| IFRS | International Financial Reporting Standards |
| IoT | Internet of Things |
| IPCC | Intergovernmental Panel on Climate Change |
| ISO | International Organization for Standardization |
| ITIL | Information Technology Infrastructure Library |
| JAC | Joint Alliance for CSR |
| KPIs | Key Performance Indicators |
| LCA | Life Cycle Assessment |
| ML | Machine Learning |
| NCSC | National Cyber Security Centre |
| NGO | Non-Governmental Organisation |
| NLP | Natural Language Processing |
| NPS | Net Promoter Score |
| OECD | Organization for Economic Cooperation and Development |
| SASB | Sustainability Accounting Standards Board |
| SBTi | Science Based Targets initiative |
| SDG | Sustainable Development Goal |
| SMS | Short message service |
| STUK | Finnish Radiation and Nuclear Safety Authority |
| SR | Sustainability report 2023 |
| TCFD | Task Force on Climate-related Financial Disclosures |
| $tCO_2e$ | Tonnes of Carbon Dioxide equivalent |
| VEF | Vastutustundliku Ettevõtluse Foorum |
| VOC | Volatile Organic Compounds |

# ESG Index

## GRI content index

| | |
|---|---|
| **Statement of use** | Elisa Corporation has reported the information cited in this GRI content index for the period 01.01.2023 - 31.12.2023 with accordance to the GRI Standards. |
| **GRI 1 used** | GRI 1: Foundation 2021 |

| GRI STANDARD TITLE | DISCLOSURE | LOCATION | OMISSION | | UN GLOBAL COMPACT | UN SUSTAINABLE DEVELOPMENT GOALS |
|---|---|---|---|---|---|---|
| | | | REASON | EXPLANATION | | |
| **General disclosures** | | | | | | |
| **GRI 2: General Disclosures 2021** | 2-1 Organizational details | Articles of Association<br>Shareholder structure<br>Basic information on the Group<br>AR, 16-19 | | | | |
| | 2-2 Entities included in the organization's sustainability reporting | SR - Description of the report, p.134<br>Main subsidiaries | | | | |
| | 2-3 Reporting period, frequency and contact point | SR - Description of the report, p.134 | | | | |
| | 2-4 Restatements of information | SR - Description of the report, p.134 | | | | |
| | 2-5 External assurance | SR - Independent Assurance Report to the Management of Elisa Corporation, p.223 | | | | |
| | 2-6 Activities, value chain and other business relationships | Elisa in brief<br>What we do<br>Main subsidiaries<br>Suppliers, Responsible supply chain;<br>SR - Promoting sustainability together with our global suppliers, p.164<br>SR - Promoting social sustainability at the customer interference, p.161 | | | | |
| | 2-7 Employees | GRI data. Employee headcount | | | | |
| | 2-8 Workers who are not employees | GRI data. Workers who are not employees headcount | | | | |
| | 2-9 Governance structure and composition | Governance structure<br>CGR - Elisa's governance structure, p.111<br>Charter and commitees<br>Shareholders' Nomination Board<br>CGR - Board committees, p.111-115 | | | | |
| | 2-10 Nomination and selection of the highest governance body | Appointment and diversity principles for Board members<br>CGR - Elisa's governance structure, p.111-113 | | | | |
| | 2-11 Chair of the highest governance body | Appointment and diversity principles for Board members<br>CGR - Elisa's governance structure, p.111-113 | | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Appointment and diversity principles for Board members<br>Management and KPIs<br>CGR - Elisa's governance structure, p.111-113 | | | | |
| | 2-13 Delegation of responsibility for managing impacts | Management and KPIs<br>SR- Mangement of sustainability, p.136<br>CGR - Elisa's governance structure, p.111-113 | | | | |

| GRI STANDARD TITLE | DISCLOSURE | LOCATION | OMISSION: REASON | OMISSION: EXPLANATION | UN GLOBAL COMPACT | UN SUSTAINABLE DEVELOPMENT GOALS |
|---|---|---|---|---|---|---|
| | 2-14 Role of the highest governance body in sustainability reporting | SR - Board signatures, p.224 | | | | |
| | 2-15 Conflicts of interest | Governance/Insider and related party policy /Transactions of managers /Management holdings<br>CGR - Independence of Board members, p.115 | | | | |
| | 2-16 Communication of critical concerns | Whistleblowing. Reviewed as a part of regular Compliance report in Audit committee of Elisa's Board of Directors.<br><br>Elisa received 20 potential misconduct notifications via its' whistleblowing channel. As a result of investigated notifications training, process reviews, communication and other corrective actions were taken. | | | | |
| | 2-17 Collective knowledge of the highest governance body | CGR - Charter and operations of the Board of Directors, p.112-115 | | | | |
| | 2-18 Evaluation of the performance of the highest governance body | CGR - Charter and operations of the Board of Directors, p.112-115 | | | | |
| | 2-19 Remuneration policies | CRR<br>Remuneration policy | | | | |
| | 2-20 Process to determine remuneration | CRR<br>Remuneration policy | | | | |
| | 2-21 Annual total compensation ratio | CRR- Development of management and personnel remuneration and the company's performance, p.123 | Elisa discloses this indicator in its own way. | Elisa reports the absolute number of annual compensation. | | |
| | 2-22 Statement on sustainable development strategy | AR - CEO's review, p.6-7<br>SR - Sustainability focus areas and performance, p.137 | | | | |
| | 2-23 Policy commitments | Ethics and compliance/Code of conduct<br>Human Rights<br>Risk management<br>Policies and guidelines<br>SR - Policies and guidelines, p.140<br>CGR - III Descriptions of internal control procedures and main features of risk management systems, p.120 | | | | |
| | 2-24 Embedding policy commitments | SR - Elisa Compliance Programme, p.139<br>Human Rights<br>Own data (Code of Conduct training completion) | | | | |
| | 2-25 Processes to remediate negative impacts | Whistleblowing Centre<br>Human Rights | | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Ethics and compliance/Code of conduct;<br>Whistleblowing Centre | | | | |

| GRI STANDARD TITLE | DISCLOSURE | LOCATION | OMISSION: REASON | OMISSION: EXPLANATION | UN GLOBAL COMPACT | UN SUSTAINABLE DEVELOPMENT GOALS |
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| | 2-27 Compliance with laws and regulations | GRI data | | | | |
| | 2-28 Membership associations | Materiality and stakeholder dialogue | | | | |
| | 2-29 Approach to stakeholder engagement | Materiality and Stakeholder dialogue<br>SR - Transparent stakeholder dialogue, p.140 | | | | |
| | 2-30 Collective bargaining agreements | GRI data | | | | |
| **Material topics** | | | | | | |
| **GRI 3: Material Topics 2021** | 3-1 Process to determine material topics | Materiality and Stakeholder dialogue<br>Our approach<br>SR - Our approach to sustainability, p.135-137<br>Human Rights | | | | |
| | 3-2 List of material topics | Safeguarding resilient society<br>Cyber and data security<br>Climate change<br>Sustainable supply chain<br>Digital inclusion<br>Materiality and Stakeholder dialogue<br>Our approach<br>SR - Our approach to sustainability, p.135-137 | | | | |
| | 3-3 Management of material topics | Safeguarding resilient society<br>Materiality and Stakeholder dialogue<br>Well-functioning society and safe services<br>SR - Continuity for a secure and reliable digital society, p.152<br>Own data | | | | |
| | | Cyber and data security<br>Materiality and Stakeholder dialogue<br>Cyber security and privacy protection<br>Human Rights<br>SR - Frontrunner in digital trust and cyber security, p.152<br>Own data | | | | |
| | | Climate Change<br>Materiality and Stakeholder dialogue<br>Environmental sustainability<br>SR, Environmental Sustainability, p.142-149<br>Own data | | | | |

| GRI STANDARD TITLE | DISCLOSURE | LOCATION | OMISSION: REASON | OMISSION: EXPLANATION | UN GLOBAL COMPACT | UN SUSTAINABLE DEVELOPMENT GOALS |
|---|---|---|---|---|---|---|
| | | Sustainable supply chain<br>Materiality and Stakeholder dialogue<br>Sustainable supply chain and partnerships<br>Responsible supply chain<br>Human Rights<br>SR, Promoting sustainability together with our global suppliers,p.164<br>GRI data, Own data | | | | |
| | | Digital inclusion<br>Materiality and Stakeholder dialogue<br>Accessible services for everyone<br>Accessibility<br>Human Rights<br>SR - Inclusive digitalisation benefits all, p.162 | | | | |
| **Economic performance** | | | | | | |
| **GRI 201: Economic Performance 2016** | 201-1 Direct economic value generated and distributed | GRI data | | | | UN SDG 9 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | GRI data | | | | UN SDG 13. |
| **Indirect economic impacts** | | | | | | |
| **GRI 203: Indirect Economic Impacts 2016** | 203-1 Infrastructure investments and services supported | Digital Sustainability<br>GRI data. Refer to GRI indicator 201-1, Capital expenditure investments | | | | UN SDG 9 |
| | 203-2 Significant indirect economic impacts | Research and development;<br>Social sustainability/Responsible employer;<br>Digital sustainability;<br>Environmental sustainability | | | | |
| **Anti-corruption** | | | | | | |
| **GRI 205: Anti-corruption 2016** | 205-2 Communication and training about anti-corruption policies and procedures | Policies and guidelines<br>SR- Elisa Compliance Programme, p.139<br>GRI data | | | x | UN SDG 16. |
| | 205-3 Confirmed incidents of corruption and actions taken | GRI data | | | x | UN SDG 16. |

| GRI STANDARD TITLE | DISCLOSURE | LOCATION | OMISSION: REASON | OMISSION: EXPLANATION | UN GLOBAL COMPACT | UN SUSTAINABLE DEVELOPMENT GOALS |
|---|---|---|---|---|---|---|
| **Tax** | | | | | | |
| **GRI 207: Tax 2019** | 207-1 Approach to tax | Policies and guidelines/Tax Policy<br>SR - Tax Policy, p.170 | | | | UN SDG 10. |
| | 207-2 Tax governance, control, and risk management | Policies and guidelines/Tax Policy<br>SR - Tax Policy, p.170 | | | | UN SDG 10. |
| | 207-3 Stakeholder engagement and management of concerns related to tax | Policies and guidelines/Tax Policy<br>SR - Tax Policy, p.170 | | | | UN SDG 10. |
| | 207-4 Country-by-country reporting | GRI data | | | | |
| **Energy** | | | | | | |
| **GRI 302: Energy 2016** | 302-1 Energy consumption within the organization | Elisa ESG Disclosure 2023<br>GRI data | | | x | UN SDG 13. |
| | 302-3 Energy intensity | Elisa ESG Disclosure 2023<br>GRI data | Elisa discloses this indicator in its own way. | | x | UN SDG 13. |
| | 302-4 Reduction of energy consumption | Elisa ESG Disclosure 2023<br>GRI data | | | x | UN SDG 13. |
| **Water and effluents** | | | | | | |
| **GRI 303: Water and Effluents 2018** | 303-1 Interactions with water as a shared resource | Environmental sustainability/Biodiversity | | | | |
| | 303-2 Management of water discharge-related impacts | Environmental sustainability/Biodiversity | | | | |
| | 303-3 Water withdrawal | Environmental sustainability/Biodiversity<br>GRI data | Elisa discloses this indicator in its own way. | | | |
| | 303-4 Water discharge | Environmental sustainability/Biodiversity<br>GRI data | Elisa discloses this indicator in its own way. | | | |
| | 303-5 Water consumption | Environmental sustainability/Biodiversity<br>GRI data | Elisa discloses this indicator in its own way. | | | |

| GRI STANDARD TITLE | DISCLOSURE | LOCATION | OMISSION: REASON | OMISSION: EXPLANATION | UN GLOBAL COMPACT | UN SUSTAINABLE DEVELOPMENT GOALS |
|---|---|---|---|---|---|---|
| **Emissions** | | | | | | |
| **GRI 305: Emissions 2016** | 305-1 Direct (Scope 1) GHG emissions | Elisa ESG Disclosure 2023<br>GRI data | | | x | UN SDG 13. |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Elisa ESG Disclosure 2023<br>GRI data | | | x | UN SDG 13. |
| | 305-3 Other indirect (Scope 3) GHG emissions | Elisa ESG Disclosure 2023<br>GRI data | | | x | UN SDG 13. |
| | 305-4 GHG emissions intensity | Elisa ESG Disclosure 2023<br>GRI data | | | x | UN SDG 13. |
| | 305-5 Reduction of GHG emissions | Elisa ESG Disclosure 2023<br>GRI data | | | x | UN SDG 13. |
| **Waste** | | | | | | |
| **GRI 306: Waste 2020** | 306-1 Waste generation and significant waste-related impacts | Environmental sustainability/Circular economy | | | | |
| | 306-2 Management of significant waste-related impacts | Environmental sustainability/Circular economy | | | | |
| | 306-3 Waste generated | Environmental sustainability/Circular economy<br>GRI data | | | x | |
| | 306-4 Waste diverted from disposal | Environmental sustainability/Circular economy<br>GRI data | | | x | |
| | 306-5 Waste directed to disposal | Environmental sustainability/Circular economy<br>GRI data | | | x | |
| **Employment** | | | | | | |
| **GRI 401: Employment 2016** | 401-1 New employee hires and employee turnover | GRI data | | | | |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | GRI data | | | | |

| GRI STANDARD TITLE | DISCLOSURE | LOCATION | OMISSION: REASON | OMISSION: EXPLANATION | UN GLOBAL COMPACT | UN SUSTAINABLE DEVELOPMENT GOALS |
|---|---|---|---|---|---|---|
| **Occupational health and safety** | | | | | | |
| **GRI 403: Occupational Health and Safety 2018** | 403-1 Occupational health and safety management system | Social sustainability/ Wellbeing and safety<br>SR - Well-being and proactive action-taking, p.160 | | | | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Social sustainability/ Wellbeing and safety<br>Digital sustainability/Using mobile network is safe<br>SR - Well-being and proactive action-taking, p.160 | | | | |
| | 403-3 Occupational health services | Social sustainability/ Wellbeing and safety<br>SR - Well-being and proactive action-taking, p.160 | | | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Social sustainability/ Wellbeing and safety<br>SR - Well-being and proactive action-taking, p.160 | | | | |
| | 403-5 Worker training on occupational health and safety | Social sustainability/ Wellbeing and safety<br>SR - Well-being and proactive action-taking, p.160 | | | | |
| | 403-6 Promotion of worker health | Social sustainability/ Wellbeing and safety<br>SR - Well-being and proactive action-taking, p.160 | | | | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Social sustainability/ Wellbeing and safety<br>SR - Well-being and proactive action-taking, p.160 | | | | |
| | 403-8 Workers covered by an occupational health and safety management system | GRI data<br>SR - Well-being and proactive action-taking, p.160 | Elisa discloses this indicator in its own way. | | | |
| | 403-9 Work-related injuries | GRI data<br>SR - Well-being and proactive action-taking, p.160 | Elisa discloses this indicator in its own way. | | | |
| | 403-10 Work-related ill health | GRI data<br>SR - Well-being and proactive action-taking, p.160 | Elisa discloses this indicator in its own way. | | | UN SDG 16. |
| **Training and education** | | | | | | |
| **GRI 404: Training and Education 2016** | 404-1 Average hours of training per year per employee | GRI data | | | X | UN SDG 10. |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | AR - Personnel review, p.16-19 | | | | UN SDG 10. |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | GRI data | | | X | UN SDG 10. |

| GRI STANDARD TITLE | DISCLOSURE | LOCATION | OMISSION | | UN GLOBAL COMPACT | UN SUSTAINABLE DEVELOPMENT GOALS |
|---|---|---|---|---|---|---|
| | | | REASON | EXPLANATION | | |
| **Diversity and equal opportunity** | | | | | | |
| **GRI 405: Diversity and Equal Opportunity 2016** | 405-1 Diversity of governance bodies and employees | GRI data | | | X | UN SDG 5. |
| **Non-discrimination** | | | | | | |
| **GRI 406: Non-discrimination 2016** | 406-1 Incidents of discrimination and corrective actions taken | GRI data | | | X | UN SDG 5. |
| **Freedom of association and collective bargaining** | | | | | | |
| **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 | Human rights | | Assessed as part of Human rights impact assessment | | |
| **Child labor** | | | | | | |
| **GRI 408: Child Labor 2016** | 408-1 Operations and suppliers at significant risk for incidents of child labor | Human rights | | Assessed as part of Human rights impact assessment | | |
| **Forced or Compulsory Labor** | | | | | | |
| **GRI 409: Forced or Compulsory Labor 2016** | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Human rights | | Assessed as part of Human rights impact assessment | | |
| **Security practices** | | | | | | |
| **GRI 410: Security Practices 2016** | 410-1 Security personnel trained in human rights policies or procedures | GRI data | | | X | UN SDG 16. |

| GRI STANDARD TITLE | DISCLOSURE | LOCATION | OMISSION REASON | OMISSION EXPLANATION | UN GLOBAL COMPACT | UN SUSTAINABLE DEVELOPMENT GOALS |
|---|---|---|---|---|---|---|
| **Local communities** | | | | | | |
| **GRI 413: Local Communities 2016** | 413-2 Operations with significant actual and potential negative impacts on local communities | Human rights | | Assessed as part of Human rights impact assessment | | |
| **Supplier social assessment** | | | | | | |
| **GRI 414: Supplier Social Assessment 2016** | 414-1 New suppliers that were screened using social criteria | SR - Promoting sustainability together with our global suppliers, p.164<br>GRI data | | | | UN SDG 16. |
| | 414-2 Negative social impacts in the supply chain and actions taken | GRI data | | | | UN SDG 16. |
| **Public policy** | | | | | | |
| **GRI 415: Public Policy 2016** | 415-1 Political contributions | GRI data | | | X | UN SDG 16. |
| **Customer health and safety** | | | | | | |
| **GRI 416: Customer Health and Safety 2016** | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | GRI data | | | | UN SDG 16. |
| **Marketing and labeling** | | | | | | |
| **GRI 417: Marketing and Labeling 2016** | 417-2 Incidents of non-compliance concerning product and service information and labeling | GRI data | | | | UN SDG 16. |
| | 417-3 Incidents of non-compliance concerning marketing communications | GRI data | | | | UN SDG 16. |
| **Customer privacy** | | | | | | |
| **GRI 418: Customer Privacy 2016** | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | GRI data | Elisa discloses this indicator in its own way. | | | UN SDG 16. |

## SASB (Technology & Communications Sector - Telecommunication Services Sustainability Accounting Standard, 2018-10)

| | | | |
|---|---|---|---|
| **Activity Metrics** | | | |
| **TC-TL-000.A** | Number of wireless (mobile) subscribers | SASB data<br>Results Centre/Operational Data Q4 2023 | Elisa discloses this indicator in its own way. |
| **TC-TL-000.B** | Number of wireline subscribers | SASB data<br>Results Centre/Operational Data Q4 2023 | Elisa discloses this indicator in its own way. |
| **TC-TL-000.C** | Number of broadband subscribers | SASB data<br>Results Centre/Operational Data Q4 2023 | Elisa discloses this indicator in its own way. |
| **TC-TL-000.D** | Network traffic | SASB data<br>Results Centre/Operational Data Q4 2023 | Elisa discloses this indicator in its own way. |
| **Accounting Metrics** | | | |
| **Environmental Footprint of Operations - TC-TL-130a.1** | Total energy consumed | SASB data | |
| | Percentage grid electricity | SASB data | |
| | Percentage renewable | SASB data | |
| | Conversion factors used | Elisa ESG Disclosure 2023 | |
| | PUE (Power Usage Effectiveness), 12 month average weighted figure | SASB data | |
| **Data Privacy**<br><br>**TC-TL-220a.1**<br>**TC-TL-220a.2**<br>**TC-TL-220a.3**<br>**TC-TL-220a.4** | Description of policies and practices relating to behavioral advertising and customer privacy | Digital sustainability/Trust Center/Data protection | |
| | | SASB data | |
| | | Marketing and customer communication (Markkinointiluvat ja asiakasviestintä -in Finnish) | |
| | | Elisa's data protection principles<br>Tietosuoja (in Finnish) | |
| | Number of customers whose information is used for secondary purposes | SASB data | |
| | Total amount of monetary losses as a result of legal proceedings associated with customer privacy | SASB data | |
| | (1) Number of law enforcement requests for customer information,<br>(2) number of customers whose information was requested,<br>(3) percentage resulting in disclosure | SASB data | |

| | | |
|---|---|---|
| **Data Security**<br><br>**TC-TL 230a.1**<br>**TC-TL 230a.2** | (1) Number of data breaches,<br>(2) percentage involving personally identifiable information (PII),<br>(3) number of customers affected | SASB data |
| | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards | SASB data |
| | | Digital sustainability/Trust Center<br>Elisa cyber security services are described in Elisa web pages (in Finnish) |
| **Product End-of life Management**<br>**TC-TL-440a.1** | (1) Materials recovered through take back programs | SASB data |
| | (2) Percentage reused | SASB data |
| | (3) Percentage recycled | SASB data |
| | (4) Percentage landfilled | SASB data |
| **Competitive Behavior & Open Internet**<br>**TC-TL-520a.1**<br>**TC-TL-520a.2**<br>**TC-TL-520a.3** | Amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | SASB data<br>Report of the board of directors (Significant legal and regulatory issues, p.27) |
| | Average actual sustained download speed of (1) owned and commercially-associated content and (2) non-associated content | SASB data |
| | Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices | SASB data |
| **Managing systemic risks from technology disruptions**<br>**TC-TL-550a.1**<br>**TC-TL-550a.2** | (1) System average interruption frequency and<br>(2) customer average interruption duration | SASB data (KPI-mittarit) (in Finnish) |
| | Discussion of systems to provide unimpeded service during service interruptions | Digital Sustainability/Description of systems to provide unimpeded service during service interruptions |

## EU taxonomy aligned economic activities

| | | |
|---|---|---|
| **EU taxonomy aligned economic activities' KPI** | Revenue | EU Taxonomy data<br>SR - Information in accordance with the EU Taxonomy, p.168 |
| | CapEx | EU Taxonomy data<br>SR - Information in accordance with the EU Taxonomy, p.168 |
| | OpEx | EU Taxonomy data<br>SR - Information in accordance with the EU Taxonomy, p.168 |

## Sustainability-linked revolving credit facility indicators

| | |
|---|---|
| **Increase of the share of female in supervisor positions** | Sustainability-linked revolving credit facility indicators data |
| **Decrease of the share of population without access to high speed connection** | Sustainability-linked revolving credit facility indicators data |
| **Ensure carbon free electricity sourcing** | Sustainability-linked revolving credit facility indicators data |

## Elisa own indicator

| | | |
|---|---|---|
| | Carbon handprint improvement | Own data<br>SR - Sustainability targets and performance 2023, p.138 |
| | Change in network energy efficiency | Own data<br>SR - Sustainability targets and performance 2023, p.138 |
| | Cyber security index describing cyber security | Own data<br>SR - Sustainability targets and performance 2023, p.138 |
| | Security Certificate Training | Own data<br>SR - Continuous improvement in our cyber security, p.153-155 |
| | Cyber security exercises completion | Own data<br>SR - Sustainability targets and performance 2023, p.138 |
| | Personal Data Inquiries | Own data<br>SR - Safeguarding peoples' privacy, p.156 |
| | Reducing the number of disturbances | Own data<br>SR - Continuity for a secure and reliable digital society, p.152<br>Digital Sustainability |
| | Code of Conduct training completion | Own data<br>SR - Elisa Compliance Programme, p.139 |
| | Contribution to the Society | Own data<br>SR - Sustainability focus areas and performance, p.137 |
| | Customer Satisfaction in Relation to NPS Target | Own data<br>SR - Promoting social sustainability at the customer interface, p.161 |
| | Code of Ethical Purchasing training completion | Own data<br>SR - Promoting sustainability together with our global suppliers, p.164 |

| | | |
|---|---|---|
| | Supply chain sustainability development | Own data<br>SR - Promoting sustainability together with our global suppliers, p.164 |
| | Employee engagement | Own data<br>SR - We advance a fair and digitally inclusive society, p. 159-160 |
| | Women in supervisor position | Own data<br>SR - Sustainability targets and performance 2023, p. 138 |
| | Population coverage of Elisa's high-speed connections | Own data<br>SR - Sustainability targets and performance 2023, p.138 |
| | Development of patent applications | Own data<br>SR - Sustainability targets and performance 2023, p.138 |

# TCFD

## I - GOVERNANCE

| | | |
|---|---|---|
| **The organisation’s governance around climate-related risks and opportunities.** | a) The board’s oversight of climate-related risks and opportunities. | Governance of environmental sustainability (TCFD) - Oversight of environmental sustainability by the Board of Directors.<br>Risk management and control.<br>SR - Management of sustainability, p.136<br>CGR - Descriptions of internal control procedures and main features of risk management systems.<br>CDP - C1.1b. |
| | b) Management’s role in assessing and managing climate-related risks and opportunities. | Governance of environmental sustainability (TCFD) - Management’s role in environmental sustainability.<br>Environmental sustainability - Our way of working for environmental impact.<br>SR - Management of sustainability, p.136<br>CGR - Descriptions of internal control procedures and main features of risk management systems.<br>CDP - C1.2a. |

## II - STRATEGY

| | | |
|---|---|---|
| **The actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategic and financial planning, where such information is material.** | a) The climate-related risks and opportunities the organisation has identified over the short, medium and long term. | Strategy for environmental sustainability (TCFD) - Identification of environmental sustainability factors over different time-horizons<br>Climate Transition Plan - Implementation strategy for reaching climate targets (table).<br>SR - Time span of risks and opportunities due to climate change, p. 216 (GRI 201-2)<br>CDP - C2.3, C2.3a, C2.4, C2.4a. |
| | b) The Impacts of climate-related risks and opportunities on the organisation’s business, strategy and financial planning. | Strategy for environmental sustainability (TCFD) - Impact of environmental sustainability related risks and opportunities.<br>Climate Transition Plan - Implementation strategy for reaching climate targets (table).<br>SR - Impacts of risks and opportunities due to climate change, p. 216 (GRI 201-2).<br>CDP - C3.1, C3.2a, C3.3, C3.4. |
| | c) The resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a “2 °C or lower” scenario. | Strategy for environmental sustainability (TCFD) - Resilience considerations in environmental strategy management<br>Climate Transition Plan - Implementation strategy for reaching climate targets (table).<br>SR - Engage in strategic foresight, p.145 and p. 216 (GRI 201-2).<br>CDP - C3.2, C3.2a. |

## III – RISK MANAGEMENT

| | | |
|---|---|---|
| **How the organisation identifies, assesses and manages climate-related risks.** | a) The organisation's processes for identifying and assessing climate-related risks. | Management of environmental risks (TCFD) - Process for identifying and assessing environmental sustainability related risks.<br>Climate Transition Plan - Action.<br>SR - Assessing climate impacts, risks, and opportunities, p.147<br>CDP - C2.1, C2.2, C2.2a. |
| | b) The organisation's processes for managing climate-related risks. | Management of environmental risks (TCFD) - Process for managing environmental sustainability related risks.<br>Climate Transition Plan - Action.<br>SR - Mitigating climate risks in our operations, p.147<br>CDP - C2.1, C2.2. |
| | c) How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management. | Management of environmental risks (TCFD) - Integration into Elisa's overall risk management.<br>Climate Transition Plan - Action.<br>SR - Mitigating climate risks in our operations, p.147<br>CDP - C2.1, C2.2. |

## IV – METRICS AND TARGETS

| | | |
|---|---|---|
| **The metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.** | a) The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | Environmental metrics and targets (TCFD) - Environmental sustainability related science-based targets.<br>Sustainability governance - Elisa's sustainability topics and targets.<br>Climate Transition Plan - Metrics and targets for reassessing current conditions.<br>SR - Targets and performance 2023, p.138; Our ambitious updated climate targets, p.143; and pp.189-198 (GRI, SASB).<br>CDP - C4.2, C4.2a, C4.2b, C9.1. |
| | b) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks. | Environmental metrics and targets (TCFD) - Environmental sustainability related performance measurements.<br>Climate Transition Plan - Metrics and targets for reassessing current conditions.<br>SR - Scope 1, Scope 2, and Scope 3 GHG emissions, pp.192-194 (GRI).<br>CDP - C6.1, C6.3, C6.5. |
| | c) The targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | Environmental metrics and targets (TCFD) - Environmental sustainability related strategy deployment targets.<br>Sustainability governance - Elisa's sustainability topics and targets.<br>Climate Transition Plan - Metrics and targets for reassessing current conditions.<br>SR - Targets and performance 2023, p.138; Our environmental metrics guide us toward ambitious targets, p.149; and Own indicators, p.198.<br>CDP - C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b. |

# Environmental sustainability

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## GRI Indicators

### GRI 302: Energy 2016*

| Energy consumption within the organisation [GJ] (302-1) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Direct energy consumption by primary energy source** | **73,068** | **96,673** | **103,002** | | Elisa Finland, Elisa Estonia and Elisa camLine |
| **Usage of non-renewable fuels** | **73,065** | **96,598** | **102,911** | Fossil fuels include gasoline, diesel, natural gas and burning oil.<br><br>From 2021 onwards, the data includes Elisa camLine figure. | |
| Finland | 7,540 | 6,754 | 13,088 | | |
| Estonia | 7,848 | 5,048 | 2,069 | | |
| Other Countries | 57,677 | 84,796 | 87,754 | Historical data has been retroactively corrected after revisiting data points. | |
| **Usage of renewable fuels** | **3** | **75** | **91** | | |
| | | | | | |
| | | | | | |
| **Indirect energy consumption by primary sources** | **1,326,613** | **1,313,253** | **1,259,801** | | |
| **Electricity** | **1,279,507** | **1,227,075** | **1,171,227** | | Elisa Corporation<br><br>In 2023, Elisa Videra's data is only incorporated up until November, following which it was divested from the Elisa group. |
| Finland | 1,120,192 | 1,106,295 | 1,050,420 | | |
| Estonia | 156,479 | 118,025 | 116,933 | | |
| Other Countries | 2,836 | 2,756 | 3,874 | From 2021 onwards, we have included electricity consumption from our international offices.<br><br>2022 data has been retroactively corrected after revisiting data points. | |
| Mobile Network | 833,370 | 860,360 | 771,007 | Includes rented sites | |
| Fixed Network | 292,694 | 218,772 | 235,657 | | |
| Data Centre | 116,585 | 109,426 | 122,678 | | |
| Other Sites | 36,858 | 38,517 | 41,885 | | |

* To convert measurements in GJ to MWh, multiply using the following conversion factor: 0.277778.

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Heating** | **40,379** | **46,515** | **46,487** | | Elisa Corporation |
| Finland | 34,963 | 39,863 | 39,745 | | |
| Estonia | 4,390 | 5,091 | 5,102 | | |
| Other Countries | 1,026 | 1,562 | 1,639 | From 2021 onwards, we have included heating consumption from our international offices.<br><br>2022 data has been retroactively corrected after revisiting data points. | |
| Fixed Network | 8,504 | 11,368 | 10,282 | | |
| Other Sites | 31,875 | 35,148 | 36,205 | | |
| **Cooling** | **6,727** | **39,663** | **42,087** | | Elisa Finland |
| Finland | 6,727 | 39,663 | 42,087 | | |
| | | | | | |
| **Total energy consumption within organization** | **1,381,746** | **1,396,160** | **1,343,837** | Total energy is calculated as sum of direct and indirect energy minus sold energy. | |
| | | | | | |
| **Purchased carbon-free electricity [GJ]** | **1,050,180** | **1,093,824** | **1,017,704** | Total electricitiy purchased through certificates of origin for own sites. | Elisa Corporation |
| Finland | 890,464 | 972,000 | 900,000 | 2023 data includes purchased carbon free electricity through certificate of origin (nulcear) plus acquired renewable energy through Power Purchasing Agreement (wind). | |
| Estonia | 156,496 | 120,600 | 116,935 | 2023 data includes purchased carbon free electricity (nuclear) plus procured renewable energy (solar) through certificate of origin. | |
| Other Countries | 3,220 | 1,224 | 769 | 2023 data includes purchased renewable electricity through certificate of origin (hydropower, solar and wind) and smal portion of carbon-free electricity (nuclear). | |
| **Usage of carbon-free electricity [GJ]** | **1,279,323** | **1,223,844** | **1,165,742** | Total electricity consumption, including rented sites. | Elisa Corporation |
| Finland | 1,120,192 | 1,104,600 | 1,048,039 | 2023 data represents usage of carbon-free electricity through certificate of origin (nuclear) | |
| Estonia | 156,479 | 118,025 | 116,933 | 2023 data represents usage of carbon free electricity through certificate of origin (nuclear) | |
| Other Countries | 2,652 | 1,219 | 769 | 2023 data represents usage of renewable electricity through certificate of origin (hydropower, solar and wind) | |
| **Purchased renewable cooling [GJ]** | **6,727** | **39,663** | **42,087** | 2021 onwards, all district cooling is renewable. | Elisa Finland |
| **Self-generated energy [GJ]** | **22,043** | **52,790** | **60,469** | Includes solar energy and heat energy generation from Elisa's own site.<br><br>To avoid double counting, this figure is not included in the total energy consumption figure. Solar energy and part of heat energy is consumed by Elisa and some portion of heat energy is sold. | Elisa Finland |
| **Sold energy [GJ]** | **17,935** | **13,766** | **18,966** | 2021 onwards, we report sold energy from heat recovery solutions. | Elisa Finland |

| Energy intensity [kWh/GB] (302-3) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Mobile networks electricity consumption per transferred gigabyte** | **0.082** | **0.105** | **0.111** | Only intensity figure from mobile network is reported. | Elisa Finland |

| Reduction of energy consumption [GJ] (302-4) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Energy saved due to conservation and efficiency improvements** | **40,169** | **37,512** | **28,624** | | |
| Energy efficiency in networks (electricity) | 40,169 | 37,512 | 28,624 | Savings in Elisa network due to network optimisation and modernisation.<br><br>2021 onwards, we report energy savings also from the fixed network. | Elisa Finland |

## GRI 303: Water and Effluents 2018

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Water withdrawal [ML] (303-3)** | **14.1** | **20.8** | **21.8** | The biggest water related aspects in Elisa operations come from the offices, where it is assumed that the volume of water withdrawal, discharge, and consumption is the same.<br><br>We apply a level of granularity for water reporting that is relevant for Elisa, compiling information from our reporting system.<br><br>2022 data has been retroactively corrected after revisiting data points. | Elisa Finland, Elisa Estonia and Elisa Camline |
| **Municipal water** | **14.1** | **20.8** | **21.8** | | |
| Finland | 11.9 | 18.9 | 20.6 | | |
| Estonia | 1.0 | 1.2 | 1.0 | | |
| Other Countries | 1.2 | 0.7 | 0.2 | | |
| **Water discharge [ML] (303-4)** | **14.1** | **20.8** | **21.8** | | |
| **Wastewater** | **14.1** | **20.8** | **21.8** | | |
| Finland | 11.9 | 18.9 | 20.6 | | |
| Estonia | 1.0 | 1.2 | 1.0 | | |
| Other Countries | 1.2 | 0.7 | 0.2 | | |
| **Water consumption [ML] (303-5)** | **14.1** | **20.8** | **21.8** | | |
| **Water intake** | **14.1** | **20.8** | **21.8** | | |
| Finland | 11.9 | 18.9 | 20.6 | | |
| Estonia | 1.0 | 1.2 | 1.0 | | |
| Other Countries | 1.2 | 0.7 | 0.2 | | |

## GRI 305: Emissions 2016

| Direct (Scope 1) GHG emissions [$tCO_2e$] (305-1) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Total direct greenhouse gas (GHG) emissions by weight [$tCO_2e$, tonnes of carbon dioxide equivalents]** | **4,084** | **5,426** | **5,927** | Emission compensation since 2020.<br><br>Historical data has been retroactively corrected after revisiting data points.<br><br>From 2021 onwards, the data includes Elisa camLine figure. | Elisa Finland, Elisa Estonia and Elisa camLine |
| Finland | 451 | 412 | 895 | | |
| Estonia | 443 | 283 | 135 | | |
| Other Countries | 3,190 | 4,732 | 4,897 | | |

| Energy indirect (Scope 2) GHG emissionss [$tCO_2e$] (305-1) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Total indirect greenhouse gas (GHG) emissions by weight [$tCO_2e$, tonnes of carbon dioxide equivalents], market-based** | **1,595** | **2,187** | **2,328** | 100% renewable electricity used in Elisa's international offices. Additionally, 100% renewable district cooling used in Elisa Finland. In Elisa Estonia and Elisa Finland, carbon-free (nuclear) electricty is used in 2023.<br><br>Emission compensation since 2020.<br><br>Historical data has been retroactively corrected after revisiting data points. | Elisa Corporation<br><br>In 2023, Elisa Videra's data is only incorporated up until November, following which it was divested from the Elisa group. |
| Finland | 1,369 | 1,671 | 1,710 | | |
| Estonia | 155 | 241 | 242 | | |
| Other Countries | 71 | 275 | 375 | From 2021 onwards, we have included energy consumption from our international offices.<br><br>Historical data has been retroactively corrected after revisiting data points. | |
| Mobile Network | 0 | 0 | 0 | Includes rented sites. | |
| Fixed Network | 333 | 445 | 403 | | |
| Data Centre | 0 | 0 | 0 | | |
| Other Sites | 1,262 | 1,742 | 1,925 | Historical data has been retroactively corrected after revisiting data points. | |

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Total indirect greenhouse gas (GHG) emissions by weight [$tCO_2e$, tonnes of carbon dioxide equivalents], location-based** | **63,047** | **56,012** | **53,510** | Historical data has been retroactively corrected after revisiting data points. | Elisa Corporation<br><br>In 2023, Elisa Videra's data is only incorporated up until November, following which it was divested from the Elisa group. |
| Finland | 36,095 | 35,647 | 33,847 | | |
| Estonia | 26,781 | 20,200 | 19,446 | | |
| Other Countries | 171 | 165 | 217 | From 2021 onwards, we have included energy consumption from our international offices.<br><br>Historical data has been retroactively corrected after revisiting data points. | |
| Mobile Network | 46,546 | 42,802 | 37,590 | Includes rented sites. | |
| Fixed Network | 10,948 | 7,774 | 9,896 | | |
| Data Centre | 3,757 | 3,526 | 3,953 | | |
| Other Sites | 1,797 | 1,910 | 2,071 | Historical data has been retroactively corrected after revisiting data points. | |

| Other indirect (Scope 3) GHG emissions [$tCO_2e$] (305-3) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Total Scope 3 emission [$tCO_2e$]** | **268,879** | **260,830** | **238,961** | | |
| **Purchased goods and services** | **146,646** | **145,268** | **140,994** | Historical data has been retroactively corrected after revisiting data points. | Elisa Finland. Elisa Estonia, Elisa Polystar and Elisa Santa Monica Oy |
| Finland | 135,291 | 127,468 | 129,938 | From 2022 onwards, we deduct the emission of carbon compensated devices from the total purchased devices emission. | |
| Estonia | 10,947 | 17,585 | 11,056 | | |
| Other Countries | 408 | 214 | N/A | | |
| **Capital goods** | **36,219** | **53,897** | **40,669** | Purchased base stations and other network equipment.<br><br>Historical data has been retroactively corrected after revisiting data points. | Elisa Finland. Elisa Estonia, Elisa Polystar and Elisa Videra<br><br>In 2023, Elisa Videra's data is only incorporated up until November, following which it was divested from the Elisa group. |
| Finland | 30,465 | 45,241 | 38,272 | | |
| Estonia | 3,903 | 6,812 | 742 | | |
| Other Countries | 1,852 | 1,844 | 1,656 | | |
| **Fuel-and energy-related activities** | **28,201** | **25,057** | **24,483** | | Elisa Corporation |
| Finland | 13,175 | 13,048 | 12,528 | | |
| Estonia | 14,002 | 10,562 | 10,378 | | |
| Other Countries | 1,025 | 1,448 | 1,576 | | |

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Upstream transportation and distribution** | **451** | **531** | **257** | Transportation of goods to Elisa and Elisa's customers. | Elisa Finland and Elisa Estonia |
| Finland | 412 | 531 | 196 | | |
| Estonia | 39 | 1 | 62 | | |
| **Waste generated in operations** | **673** | **601** | **425** | Emission compensation since 2020. | Elisa Finland, Elisa Estonia and Elisa Polystar |
| Finland | 644 | 580 | 425 | | |
| Estonia | 29 | 21 | 0.1 | | |
| Other Countries | 0.3 | 0.1 | 0.1 | | |
| **Business travel** | **2,233** | **1,432** | **406** | Emission compensation since 2020.<br><br>Historical data has been retroactively corrected after revisiting data points. | Elisa Finland, Elisa Estonia, Elisa Santa Monica Oy, Elisa Videra Oy, Enia Oy, Fenix Solutions Oy, Fonum Oy, Kepit Systems Oy and Elisa Polystar.<br><br>Elisa Videra is included in 2023 figure |
| Finland | 1,667 | 1,197 | 398 | | |
| Estonia | 147 | 53 | 8 | | |
| Other Countries | 419 | 183 | N/A | | |
| **Employee commuting** | **1,987** | **1,991** | **1,736** | Emission compensation since 2020. | Elisa Corporation<br><br>Elisa Videra is included in 2023 figure. |
| Finland | 1,517 | 1,401 | 1,210 | | |
| Estonia | 354 | 464 | 402 | | |
| Other Countries | 117 | 126 | 124 | | |
| **Upstream leased assets** | **N/A** | **N/A** | **N/A** | Energy consumption in rented sites is calculated in Scope 2. | |
| **Downstream transportation** | **N/A** | **N/A** | **N/A** | Downstream transportation is included in upstream transportation. | |
| **Processing of sold product** | **N/A** | **N/A** | **N/A** | Not relevant, no processing of products. | |
| **Use of sold product** | **49,512** | **30,922** | **28,959** | In 2023, we have improved our calculation methodology. | Elisa Finland and Elisa Estonia |
| Finland | 45,766 | 26,318 | 26,333 | | |
| Estonia | 3,746 | 4,603 | 2,626 | | |
| **End-of-life treatment of sold products** | **2,955** | **1,130** | **1,032** | In 2023, we have improved our calculation methodology. | Elisa Finland and Elisa Estonia |
| Finland | 2,650 | 923 | 897 | | |
| Estonia | 304 | 207 | 135 | | |
| **Downstream leased assets** | **N/A** | **N/A** | **N/A** | Energy consumption of operators with leases is calculated in Scope 2. | |
| **Franchises** | **N/A** | **N/A** | **N/A** | Not relevant: no franchises. | |
| **Investment** | **N/A** | **N/A** | **N/A** | Not relevant: no significant credit management, production investments reported elsewhere. | |

| GHG emissions intensity [$kgCO_2e$/EUR] (305-4) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| Scope 1 and Scope 2 emissions per revenue | **0.003** | **0.004** | **0.004** | Historical data has been retroactively corrected after revisiting data points. | Elisa Corporation |

| Reduction of GHG emissions [$tCO_2e$] (305-5) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Emission reductions in own operations** | **119,344** | **114,807** | **106,945** | | |
| Emission reduction in networks, Scope 2 | 2,593 | 2,422 | 1,848 | 2021 onwards, we report emission reductions also from the fixed network. | Elisa Finland |
| Use of acquired carbon-free energy, Scope 2 | 100,291 | 92,241 | 85,428 | Emission reductions from all the use of acquired carbon-free electricity. | 2022 onwards Elisa Finland, Elisa Estonia, Elisa Polystar, Elisa Videra, Elisa camLine and Banana Fingers. |
| Reuse of capital infrastructure, Scope 3 | 639 | 552 | 704 | Emission reduction from the reuse of network equipment. | Elisa Finland and Elisa Estonia |
| Emission compensation | 11,101 | 12,147 | 10,847 | Compensation boundaries have been expanded to include remote work, and business-specific compensation commitments.<br><br>Historical data has been retroactively corrected after revisiting data points. | Elisa Corporation |
| Produced renewable energy, Scope 2 | 162 | 1,529 | 1,626 | 2022 onwards, we also include solar energy generation in our own site. | Elisa Finland |
| Elisa Ideal Work (flexible work solutions), Scope 3 | 4,557 | 5,917 | 6,492 | Historical data has been retroactively corrected after revisiting data points. | Elisa Corporation |

## Waste

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Waste generated [t] (306-3)** | | | | | 2023 onwards Elisa Finland, Elisa Estonia, Elisa Polystar and Elisa camLine |
| **Total waste generated** | **934** | **833** | **645** | | |
| Hazardous waste | **467** | **418** | **293** | | |
| Finland | 448 | 404 | 293 | | |
| Estonia | 19 | 14 | | | |
| Non-hazardous waste | **467** | **414** | **352** | | |
| Finland | 380 | 376 | 340 | | |
| Estonia | 75 | 35 | 9 | | |
| Other Countries | 12 | 3 | 3 | | |
| WEEE (Waste Electrical and Electronic Equipment) | **129** | **146** | **145** | | |
| Finland | 127 | 146 | 145 | | |
| Other Countries | 2 | 0.1 | 0.1 | | |

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Waste diverted from disposal by recovery operation [t] (306-4)** | | | | All waste diverted from disposal are recovered offsite. | |
| | | | | | |
| **Total hazardous waste** | **453** | **378** | **262** | | |
| Recyling | 453 | 378 | 262 | | |
| | | | | | |
| **Total non-hazardous waste** | **419** | **413** | **351** | | |
| Recyling | 354 | 370 | 351 | | |
| Composting | 0.99 | 0.12 | 0.12 | | |
| Other recovery operations | 64 | 43 | | | |
| | | | | | |
| **Waste prevented** | **872** | **791** | **613** | Total hazardous and non-hazardous waste diverted from being disposed. | |
| **Waste directed to disposal by disposal operation [t] (306-5)** | | | | | |
| | | | | All waste is disposed offsite. | |
| **Total hazardous waste** | **14** | **40** | **31** | | |
| Hazardous waste disposal | 14 | 40 | 31 | | |
| | | | | | |
| **Total non-hazardous waste** | **1** | **1** | **1** | | |
| Incineration(with energy recovery) | 45 | 1 | 1 | | |
| Other disposal operations | 2 | | | | |
| Hazardous waste disposal | 0.5 | | | | |

## SASB indicators

| Environmental footprint of operations (TC-TL-130a.1) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| Total energy consumed [GJ] | **1,399,681** | **1,409,926** | **1,362,803** | Total energy is calculated as sum of direct and indirect energy.<br><br>Historical data has been retroactively corrected due to the updated calculation methology from the standard. | Elisa Corporation |
| Percentage grid electricity [%] | **91%** | **87%** | **86%** | Historical data has been retroactively corrected due to the updated calculation methology from the standard. | Elisa Corporation |
| Percentage renewable [%] | **6%** | **81%** | **80%** | Includes renewable  electricity and renewable cooling.<br><br>Historical data has been retroactively corrected due to the updated calculation methology from the standard. | Elisa Corporation |
| PUE (Power Usage Effectiveness), 12 month average weighted figure | **2.0** | **1.8** | **1.4** | From 2023, we include PUE from 5 sites that are considered as data centers.<br><br>Waste heat recovery solutions affect the PUE figure negatively. | Elisa Finland |

| Product End-of life Management (TC-TL-440a.1) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| Materials recovered through take back programs [t] | **63** | **117** | **120** | In 2023, percentage reused of products has increased due to development of product end-of life management. | Elisa Finland and Fonum Oy |
| Percentage reused [%] | **41%** | **7%** | **4%** | | |
| Percentage recycled [%] | **59%** | **93%** | **96%** | | |
| Percentage landfilled [%] | **0%** | **0%** | **0%** | | |

## Own indicators

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Carbon handprint improvement [$tCO_2e$]** | **52,311** | **46,862** | **46,718** | 2022 is the first year Elisa is reporting this indicator as part of its sustainability objective targets.<br><br>By 2024, Elisa's target is to increase its carbon handprint by 50% (70,077 $tCO_2e$) from the base year 2021 (46,718 $tCO_2e$).<br><br>It is calculated as carbon emissions saved for customers as a result of e.g., digitalisation and circularity.<br><br>Elisa Videra's figure is included until November, 2023 after which it has been divested from Elisa group. | Elisa Corporation |
| **Change in network energy efficiency [%]** | **-26.1%** | **-5.4%** | | 2022 was the first year Elisa reported this indicator as part of its sustainability objective targets.<br><br>By 2024, Elisa's target is to improve its mobile network energy efficiency by 20% from the base period Q4 2021.<br><br>It is calculated as change in energy consumption (kWh) of Elisa's mobile networks in Finland. | Elisa Finland |

# Digital Sustainability

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## GRI Indicators

### GRI 418: Customer Privacy 2016

| Substantiated complaints concerning breaches of customer privacy and losses of customer data [pcs] (418-1) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | 12 | 7 | 8 | Elisa only reports inquiries from Data protection authority and other competent authority. | Elisa Finland, Elisa Estonia and Elisa Polystar |

## SASB Indicators

### Activity Metrics

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Number of wireless subscribers [pcs] (TC-TL-000.A)** | 5,164,000 | 5,088,000 | 4,919,100 | Elisa reports total number of mobile subscriptions instead of subscribers. | Elisa Finland and Elisa Estonia |
| **Number of wireline subscribers [pcs] (TC-TL-000.B)** | 48,000 | 60,000 | 78,000 | Elisa reports total number of traditional fixed (PSTN) subscriptions instead of subscribers. | Elisa Finland and Elisa Estonia |
| **Number of broadband subscribers [pcs] (TC-TL-000.C)** | 655,000 | 650,000 | 666,200 | Elisa reports total number of fixed broadband subscriptions instead of subscribers. | Elisa Finland and Elisa Estonia |
| **Network traffic [million gigabytes] (TC-TL-000.D)** | 2,151 | 1,917 | 1,643 | Elisa does not disclose fixed network traffic numbers. | Mobile network Elisa Finland |

### Data Privacy

| | Data includes |
|---|---|
| **Description of policies and practices relating to behavioral advertising and customer privacy (TC-TL-220a.1)** | |
| Processing of personal data is based on the Elisa's Data Protection Policy which defines the implementation of data protection requirements at Elisa's operations. The policy is mandatory for Elisa, its subsidiaries, and suppliers based on the contracts.<br><br>Data protection policy as well as principles and guidelines complementing the policy are reviewed frequently and they include e.g.<br><br>- Processing of personal data<br>- Data protection principles (acts as privacy notice)<br>- Advertising and customer privacy policies, principles, and practical guidance (in Finnish)<br>- Guidance on Electronic Direct Marketing<br>- Requirements of the Processing of Traffic and Location Data for marketing<br>- Employees Data Protection Principles (acts as privacy notice)<br>- Principles of personal data processing in the staff recruitment process - (acts as privacy notice)<br>- Practices related to Data protection organization, assessments, monthly overview of EU data protection breaches with analyzes | Elisa Corporation |

| | Data includes |
|---|---|
| **Number of customers whose information is used for secondary purposes (TC-TL-220a.2)** | |
| Elisa does not disclose this indicator. Elisa's data protection principles describe what information we collect and for what purpose, and how we handle the information. Provided the principles and policies relating to the customer personal data, limitations and requirements for further processing:<br><br>- Data Protection Principles (public, privacy notice)<br>- Data Protection Policy (internal)<br>- Principles of Personal Data Processing (internal)<br>- Confidentiality of Communications and Principles of Location Data Processing (internal) | Elisa Finland and Elisa Estonia |
| **Total amount of monetary losses as a result of legal proceedings associated with customer privacy (TC-TL-220a.3)** | |
| Elisa does not disclose this information, instead reports significant legal consequences in Elisa's financial statements release 2023. | Elisa Corporation |
| **(1) Number of law enforcement requests for customer information,<br>(2) number of customers whose information was requested,<br>(3) percentage resulting in disclosure (TC-TL-220a.4)** | |
| Elisa does not disclose such information. | Elisa Corporation |

## Data Security

| | Data includes |
|---|---|
| **(1) Number of data breaches,<br>(2) percentage involving personally identifiable information (PII),<br>(3) number of customers affected (TC-TL-230a.1)** | |
| Elisa has process for managing data breaches and each case is documented. Elisa does not disclose security incidents or breaches as numbers. | Elisa Corporation |
| **Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards (TC-TL-230a.2)** | |
| Elisa's operational risk management is an ongoing process and is built into the organisation's normal operations. The process activates all Elisa employees and partners to identify and report risks related to processes, systems, technology and other operational functions. Operational risk management enables transparency in the potential adverse events and opportunities of operations, ensures business continuity and optimizes costs through risk assessment, management and monitoring. The process is compliant with ISO 27005 and ISO 31000 international standards.<br><br>More information is available in Elisa web pages<br>Elisa cyber security services for corporate customers are described in Elisa web pages (in Finnish) | Elisa Corporation |

## Managing systemic risks from technology disruptions

| | Description | Data includes |
|---|---|---|
| **(1) System average interruption frequency and<br>(2) customer average interruption duration (TC-TL-550a.1)** | | |
| System average interruption frequency: **0.10**<br>Customer average interruption duration: **21 h** | Annual interruption frequency vs. 1000 subscriptions. | Elisa Finland |

## Own Indicators

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Cyber security index describing cyber security [%]** | **95%** | **75%** | **73%** | Annual average of Cyber Security Index performance.<br><br>The index consists of four development focus area sub-metrics:<br>1) tracking and fixing security vulnerabilities in our network,<br>2) phishing simulations conducted among Elisa employees,<br>3) risk assessments performed, and<br>4) the completion rate of security certificate training among Elisa employees. | Elisa Finland |
| **Security Certificate Training [%]** | **87%** | **93%** | **88%** | 2023 figure includes training data from all Elisa companies. | Elisa Corporation |
| **Cyber security exercises completion [pcs]** | **4** | **4** | **N/A** | 2022 was the first year Elisa reported this indicator as part of its Sustainability objective targets.<br><br>Elisa's target is to perform 12 security exercises with large corporate customers and authorities, including cyber security simulations and security preparedness exercises by 2024. | Elisa Finland |
| **Personal Data Inquiries [pcs]** | **7,826** | **15,478** | **16,558** | Customer requests to review their personal data.<br><br>2023 figure only includes data from Elisa Finland. | Elisa Finland and Elisa Estonia |
| **Reducing the number of disturbances [%]** | **99%** | **98%** | **97%** | Reduction % of disturbances in network through preventive actions. | Elisa Finland |

# Social Sustainability

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## GRI Indicators

### GRI 2: General Disclosures 2021 realted to Employees

| Employees by Employment Contract, Time Type, Region and Gender [prs] (2-7) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Total Personnel, 31.12.2023** | **6,202** | **6,197** | **5,947** | Headcount figures used for the disclosure.<br><br>We do not report employee headcount with non-guaranteed hours. | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| **Permanent contract** | **6,102** | **6,100** | **5,858** | | |
| Finland | 4,468 | 4,483 | 4,330 | | |
| Estonia | 986 | 950 | 926 | | |
| Sweden | 150 | 141 | 142 | | |
| Germany | 97 | 94 | 87 | | |
| Singapore | 40 | 94 | 87 | | |
| Spain | 12 | 56 | 61 | | |
| Other Countries | 349 | 282 | 225 | | |
| Men | 4,207 | 4,138 | 3,951 | | |
| Women | 1,835 | 1,816 | 1,807 | | |
| Other or Unknown | 60 | 146 | 100 | | |
| **Temporary contract** | **100** | **97** | **89** | | |
| Finland | 49 | 55 | 43 | | |
| Estonia | 26 | 30 | 38 | | |
| Sweden | 2 | 2 | 4 | | |
| Germany | 6 | 4 | 3 | | |
| Singapore | 0 | 0 | 0 | | |
| Spain | 0 | 0 | 0 | | |
| Other Countries | 17 | 6 | 1 | | |
| Men | 43 | 45 | 34 | | |
| Women | 53 | 48 | 48 | | |
| Other or Unknown | 4 | 4 | 7 | | |

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Full- time employees** | **5,210** | **5,166** | **5,002** | | |
| Finland | 3,642 | 3,646 | 3,561 | | |
| Estonia | 943 | 893 | 881 | | |
| Sweden | 144 | 142 | 143 | | |
| Germany | 80 | 79 | 72 | | |
| Singapore | 40 | 94 | 87 | | |
| Spain | 12 | 55 | 61 | | |
| Other Countries | 349 | 257 | 197 | | |
| Men | 3,552 | 3,473 | 3,348 | | |
| Women | 1,620 | 1,571 | 1,553 | | |
| Other or Unknown | **38** | **122** | **101** | | |
| **Part-time employees** | 992 | 1,031 | 945 | | |
| Finland | 875 | 892 | 812 | | |
| Estonia | 69 | 87 | 83 | | |
| Sweden | 8 | 1 | 3 | | |
| Germany | 23 | 19 | 18 | | |
| Singapore | 0 | 0 | 0 | | |
| Spain | 0 | 1 | 0 | | |
| Other Countries | 17 | 31 | 29 | | |
| Men | 698 | 710 | 637 | | |
| Women | 268 | 293 | 302 | | |
| Other or Unknown | 26 | 28 | 6 | | |

| Workers who are not employees [prs] (2-8) | 2023 | 2022 | Description | Data includes |
|---|---|---|---|---|
| **Total workers who are not employees** | **6,395** | **6,617** | 2022 was the first year, Elisa reported other workers who are not employees headcount figures. | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Agency workers | 488 | 497 | | |
| Consultant | 329 | 434 | | |
| Facility management worker | 165 | 119 | | |
| Subcontractor/Service provider | 5,396 | 5,551 | | |
| Others | 17 | 16 | | |

| Compliance with laws and regulations (2-27) | Data includes |
|---|---|
| **Total number of significant instances of non-compliance with laws and regulations during the reporting period** | |
| No confirmed cases of non-compliance in 2023. | Elisa Corporation |
| **Total number and the monetary value of fines for instances of non-compliance with laws and regulations** | |
| No fines occurred due to non-compliance in 2023. | Elisa Corporation |

| Collective bargaining agreements [%] (2-30) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Percentage of Total Employees Covered by Collective Bargaining Agreements** | **72%** | **73%** | **73%** | For employees not covered by Collective Bargaining Agreements, the working conditions are determined either by employment contract, Elisa's HR practices or national legislation. | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |

## GRI 205: Anti-corruption 2016

| Communication and training about anti-corruption policies and procedures [%] (205-2) | Description | Data includes |
|---|---|---|
| **Percentage of employees that the organization's anti-corruption policies and procedures have been communicated to.** | | |
| Anti-corruption policies have been communicated to all employees [100%] in Elisa. | | Elisa Corporation |
| **Percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to.** | | |
| Anti-corruption policies have been communicated to all the governance bodies [100%]. | | Elisa Corporation |

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Percentage of employees completing the training by region** | **84%** | **80%** | **60%** | | |
| Finland | 82% | 77% | 63% | Training rate by region only reported. The figure excludes employees on longer sick leaves, absences and maternity leaves. Additionally new hires with tenure 14 days or less is excluded. | Elisa Corporation |
| Estonia | 93% | 88% | 71% | | |
| Sweden | 98% | 74% | 7% | | |
| Singapore | 98% | 98% | 7% | | |
| Germany | 98% | 94% | 7% | | |
| Spain | 82% | 80% | 58% | | |
| Other Countries | 79% | 64% | 8% | | |

| Confirmed incidents of corruption and actions taken [pcs] (205-3) | |
|---|---|
| No confirmed incidents in 2023. | Elisa Corporation |

## GRI 401: Employment 2016

| New employee hires and employee turnover by age group, gender and region [prs] (401-1) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **New employee hires** | **1,323** | **1,594** | **1,283** | | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Finland | 963 | 1,173 | 969 | | |
| Estonia | 226 | 283 | 226 | | |
| Sweden | 18 | 17 | 4 | | |
| Germany | 12 | 20 | 7 | | |
| Singapore | 7 | 15 | 16 | | |
| Spain | 3 | 9 | 8 | | |
| Other Countries | 94 | 77 | 53 | | |
| Men | 913 | 1,078 | 862 | | |
| Women | 361 | 445 | 386 | | |
| Other or Unknown | 49 | 71 | 35 | | |
| Under 30 years | 901 | 1,077 | 880 | | |
| 30-39 years | 263 | 287 | 262 | | |
| 40-49 years | 103 | 151 | 89 | | |
| Over 49 years | 56 | 79 | 52, | | |
| **Terminated employments** | **1,221** | **1,533** | **1,321** | We do not report the turnover rates, only the terminated employees [prs] is reported. | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Finland | 936 | 1,191 | 995 | | |
| Estonia | 200 | 259 | 268 | | |
| Sweden | 9 | 18 | 12 | | |
| Germany | 8 | 0 | 0 | | |
| Singapore | 6 | 3 | 3 | | |
| Spain | 0 | 16 | 14 | | |
| Other Countries | 62 | 46 | 29 | | |
| Men | 849 | 1,024 | 889 | | |
| Women | 346 | 460 | 407 | | |
| Other or Unknown | 26 | 49 | 25 | | |
| Under 30 years | 765 | 902 | 813 | | |
| 30-39 years | 275 | 326 | 272 | | |
| 40-49 years | 103 | 158 | 131 | | |
| Over 49 years | 78 | 147 | 105 | | |

| Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation (401-2) | Data includes |
|---|---|
| In general level, there are no differences. | Elisa Corporation |

## GRI 403: Occupational Health and Safety 2018

| Workers covered by an occupational health and safety management system [%] (403-8) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Employees covered by OHS management system** | **93%** | **93%** | **94%** | Elisa's own employees coverage % only reported. | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |

| Work related (occupational) injuries and ill-health. Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender (403-9, 403-10) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Working hours [h]** | | | | | |
| Average worked hours [hours/employee] | **1,504** | **1,459** | **1,367** | Annual figure. Total hours per employee headcount. | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| **Injury rate (IR)** | **5** | **4** | **3** | Includes working time injuries rate of own employees based on 1,000,000 of actual hours worked. | |
| **Finland** | | | | | |
| Commuting injuries | 5 | 3 | 3 | Elisa's own indicator. | |
| Working time injuries | 7 | 5 | 4 | | |
| **Estonia** | | | | | |
| Working time injuries | 1 | 0 | 2 | | |
| **Sweden** | | | | 2022 data excludes Elisa Polystar. | |
| Working time injuries | 0 | 0 | 0 | | |
| **Spain** | | | | | |
| Working time injuries | 0 | 0 | 0 | | |
| **Germany** | | | | | |
| Working time injuries | 6 | 0 | 0 | | |
| **Other Countries** | | | | | |
| Working time injuries | 0 | 2 | 0 | | |
| **Rate of occupational diseases (ODR)** | **0** | **0** | **0.2** | Includes rate of own employees based on on 1,000,000 of actual hours worked. | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Finland | 0 | 0 | 0.4 | 2022 data excludes Elisa Polystar. | |
| Estonia | 0 | 0 | 0 | | |
| Sweden | 0 | 0 | 0 | | |
| Spain | 0 | 0 | 0 | | |
| Germany | 0 | 0 | 0 | | |
| Other Countries | 0 | 0 | 0 | | |

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Lost day rate (LDR)** | **260** | **111** | **177** | Includes rate of own employees based on 1,000,000 actual hours worked | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Finland | 378 | 148 | 253 | 2022 data excludes Elisa Polystar. | |
| Estonia | 0 | 0 | 0 | | |
| Sweden | 0 | 0 | 0 | | |
| Spain | 0 | 0 | 0 | | |
| Germany | 0 | 0 | 0 | | |
| Other Countries | 0 | 14 | 0 | | |
| | | | | | |
| **Absentee rate (AR)** | **4%** | **5%** | **4%** | Includes rate of own employees based on planned hours. | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Finland | 4% | 5% | 4% | 2022 data excludes Elisa Polystar. | |
| Estonia | 4% | 5% | 4% | | |
| Sweden | 3% | 2% | 2% | | |
| Spain | 0% | 1% | 1% | | |
| Germany | 3% | 4% | 4% | | |
| Other Countries | 1% | 1% | 1% | | |
| | | | | | |
| **Commuting injuries (own employees total)** | **34** | **21** | **19** | | |
| Finland | 34 | 21 | 19 | | |
| Contractors | 0 | 0 | 0 | | Elisa Finland and Elisa Estonia |
| | | | | | |
| **Work-related recordable injuries (own employees total)** | **45** | **33** | **25** | | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Finland | 43 | 32 | 22 | 2022 data excludes Elisa Polystar. | |
| Estonia | 1 | 0 | 3 | | |
| Sweden | 0 | 0 | 0 | | |
| Spain | 0 | 0 | 0 | | |
| Germany | 1 | 0 | 0 | | |
| Other Countries | 0 | 1 | 0 | | |
| Contractors | 14 | 3 | 6 | | Elisa Finland and Elisa Estonia |

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Work related high-consequence injuries (own employees total)** | **0** | **0** | **0** | | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Finland | 0 | 0 | 0 | 2022 data excludes Elisa Polystar. | |
| Estonia | 0 | 0 | 0 | | |
| Sweden | 0 | 0 | 0 | | |
| Spain | 0 | 0 | 0 | | |
| Germany | 0 | 0 | 0 | | |
| Other Countries | 0 | 0 | 0 | | |
| Contractors | 7 | 5 | 2 | | Elisa Finland and Elisa Estonia |
| | | | | | |
| **Occupational diseases (own employees total)** | **0** | **0** | **2** | | |
| Finland | 0 | 0 | 2 | 2022 data excludes Elisa Polystar. | |
| Estonia | 0 | 0 | 0 | | |
| Sweden | 0 | 0 | 0 | | |
| Spain | 0 | 0 | 0 | | |
| Germany | 0 | 0 | 0 | | |
| Other Countries | 0 | 0 | 0 | | |
| Contractors | 0 | 0 | 0 | | Elisa Finland and Elisa Estonia |
| | | | | | |
| **Work related fatalities (due to injuries or occupational ill-health) (own employees total)** | **0** | **0** | **0** | | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Finland | 0 | 0 | 0 | 2022 data excludes Elisa Polystar. | |
| Estonia | 0 | 0 | 0 | | |
| Sweden | 0 | 0 | 0 | | |
| Spain | 0 | 0 | 0 | | |
| Germany | 0 | 0 | 0 | | |
| Other Countries | 0 | 0 | 0 | | |
| Contractors | 0 | 0 | 0 | | Elisa Finland and Elisa Estonia |
| | | | | | |
| **Lost day incidents [days] (own employees total)** | **329** | **133** | **192** | | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Finland | 329 | 132 | 192 | 2022 data excludes Elisa Polystar. | |
| Estonia | 0 | 0 | 0 | | |
| Sweden | 0 | 0 | 0 | | |
| Spain | 0 | 0 | 0 | | |
| Germany | 0 | 0 | 0 | | |
| Other Countries | 0 | 1 | 0 | | |
| Contractors | 101 | 45 | 41 | | Elisa Finland and Elisa Estonia |

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Absentees [days] (own employees total)** | **50,586** | **63,202** | **51,294** | | Elisa Corporation<br>Videra's data is excluded from 2023 figure. |
| Finland | 39,168 | 50,178 | 39,172 | 2022 data excludes Elisa Polystar. | |
| Estonia | 8,448 | 11,622 | 9,546 | | |
| Sweden | 1,121 | 10 | 830 | | |
| Spain | 5 | 105 | 168 | | |
| Germany | 693 | 821 | 846 | | |
| Other Countries | 1,151 | 466 | 732 | | |
| Contractors | 187 | 600 | 97 | | Elisa Finland and Elisa Estonia |

## GRI 404: Training and Education 2016

| **Average hours of training per year per employee by gender and by employee category [h] (404-1)** | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Average training hours per employee** | **38** | **12** | **11** | | Elisa Corporation<br>Videra's data is excluded from 2023 figure. |
| Men | 29 | 12 | 11 | Training hours in 2023 have seen significant improvement, attributed to advancements in data collection, management, and tracking systems, consequently enhancing overall data quality. In addition, inclusion of Elisa camLine figure also contributed to this improvement.<br>For 2022 data, Elisa Polystar's data points are estimated figures. | |
| Women | 59 | 10 | 12 | | |
| Other or Unknown | 16 | 11 | 9 | | |
| Executive officers | 71 | 14 | 7 | | |
| Senior management | 38 | 11 | 15 | | |
| Middle and other management | 37 | 12 | 21 | | |
| Senior specialist and experts | 34 | 11 | 10 | | |
| Entry level | 42 | 12 | 11 | | |
| Other employees | 131 | 22 | 10 | Other employees include employees who do not fit the current breakdown of categories. We continue to refine our employee categorisation to provide a more specific and inclusive breakdown, with the aim of eventually eliminating the classification of "other employees". | |

| Employees receiving regular performance and career development reviews by gender and by employee category [prs] (404-3) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Employees receiving regular performance and career development reviews [%]** | **79%** | **84%** | **84%** | Other employees include employees who do not fit the current breakdown of categories. We continue to refine our employee categorisation to provide a more specific and inclusive breakdown, with the aim of eventually eliminating the classification of "other employees". | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Men | 3,349 | 3,523 | 3,299 | | |
| Women | 1,487 | 1,566 | 1,570 | | |
| Other or Unknown | 53 | 118 | 94 | | |
| Executive officers | 18 | 26 | 19 | | |
| Senior management | 204 | 224 | 209 | | |
| Middle and other management | 492 | 539 | 488 | | |
| Senior specialist and experts | 2,247 | 2,461 | 2290 | | |
| Entry level | 1914 | 1949 | 1785 | | |
| Other employees | 14 | 8 | 172 | | |

## GRI 405: Diversity and Equal Opportunity 2016

| Diversity of governance bodies [prs] (405-1) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Elisa's Executive Board** | **10** | **10** | **11** | | Elisa Corporation |
| Women | 2 | 1 | 2 | | |
| Men | 8 | 9 | 9 | | |
| Under 30 years | 0 | 0 | 0 | | |
| 30-39 years | 0 | 0 | 0 | | |
| 40-49 years | 2 | 3 | 3 | | |
| Over 49 years | 8 | 7 | 8 | | |
| | | | | | |
| **Elisa's Board of Directors** | **7** | **9** | **8** | | Elisa Corporation |
| Women | 3 | 4 | 3 | | |
| Men | 4 | 5 | 5 | | |
| Under 30 years | 0 | 0 | 0 | | |
| 30-39 years | 0 | 0 | 0 | | |
| 40-49 years | 1 | 2 | 1 | | |
| Over 49 years | 6 | 7 | 7 | | |

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Management teams of business units** | **95** | **94** | **95** | | Elisa Corporation |
| Women | 46 | 44 | 43 | | |
| Men | 49 | 50 | 52 | | |
| Under 30 years | 1 | 0 | 0 | | |
| 30-39 years | 5 | 9 | 6 | | |
| 40-49 years | 37 | 45 | 41 | | |
| Over 49 years | 52 | 40 | 48 | | |
| | | | | | |
| **Corporate Responsibility Management Board** | **13** | **8** | **8** | | Elisa Corporation |
| Women | 8 | 4 | 5 | | |
| Men | 5 | 4 | 3 | | |
| Under 30 years | 0 | 0 | 0 | | |
| 30-39 years | 1 | 0 | 0 | | |
| 40-49 years | 7 | 4 | 3 | | |
| Over 49 years | 5 | 4 | 5 | | |

| Diversity of employees [%] (405-1) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Breakdown of employees by gender** | | | | | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Men | **69%** | **68%** | **67%** | | |
| Women | **30%** | **30%** | **31%** | | |
| Other or Unknown | **1%** | **2%** | **2%** | | |
| | | | | | |
| **Breakdown of employees by age** | | | | | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Under 20 | **1.2 %** | **1.3 %** | **0.8 %** | | |
| 20-24 | **9.9 %** | **10.0 %** | **9.3 %** | | |
| 25-29 | **13.9 %** | **14.6 %** | **14.5 %** | | |
| 30-34 | **14.6 %** | **14.5 %** | **15.3 %** | | |
| 35-39 | **13.9 %** | **14.1 %** | **14.7 %** | | |
| 40-44 | **13.8 %** | **14.1 %** | **14.0 %** | | |
| 45-49 | **12.0 %** | **11.5 %** | **11.9 %** | | |
| 50-54 | **9.4 %** | **9.3 %** | **9.3 %** | | |
| 55-59 | **7.2 %** | **7.0 %** | **6.9 %** | | |
| 60-64 | **3.8 %** | **3.1 %** | **3.1 %** | | |
| Over 64 | **0.3 %** | **0.2 %** | **0.2 %** | | |

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Breakdown of employees by employee categories** | | | | | Elisa Corporation<br><br>Videra's data is excluded from 2023 figure. |
| Executive officers | **0.3%** | **0.5%** | **0.4%** | Other employees include employees who do not fit the current breakdown of categories. We continue to refine our employee categorisation to provide a more specific and inclusive breakdown, with the aim of eventually eliminating the classification of "other employees". | |
| Senior management | **4.0%** | **3.9%** | **3.9%** | | |
| Middle and other management | **9.9%** | **9.6%** | **9.7%** | | |
| Senior specialist and experts | **42.3%** | **42.1%** | **40.8%** | | |
| Entry level | **43.3%** | **42.8%** | **42.4%** | | |
| Other employees | **0.2%** | **1.1%** | **2.9%** | | |

## GRI 406: Non-discrimination 2016

| **Incidents of discrimination and corrective actions taken [pcs] (406-1)** |
|---|
| No confirmed incidents of discrimination in 2023. |

## GRI 410: Security Practices 2016

| **Security personnel trained in human rights policies or procedures [%] (410-1)** | Description | Data includes |
|---|---|---|
| 100% of external security guards working in Elisa Finland have completed Elisa Code of Conduct policy training in 2023. | The figure only includes the external security guards. Doesn't include workers who are in longer leave. | Elisa Finland |

## GRI 414: Supplier Social Assessment 2016

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **New suppliers that were screened using social criteria [%] (414-1)** | **0%** | **0%** | **0%** | | Elisa Finland |
| **Negative social impacts in the supply chain and actions taken (414-2)** | | | | | Elisa Finland |
| Total suppliers assessed [pcs] | **137** | **83** | **71** | | |
| Number of suppliers identified as having significant actual and potential negative social impacts [pcs] | N/A | N/A | 34 | | |
| Significant actual and potential negative social impacts identified in the supply chain [pcs] | **883** | **549** | **402** | | |
| Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment [%] | N/A | N/A | 100% | | |
| Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why [%] | 0% | N/A | 0% | | |

| | Description | Data includes |
|---|---|---|
| **GRI 415: Public Policy 2016** | | |
| **Total value of political contributions by country and recipient/beneficiary (415-1)** | | |
| No political contributions in 2023. | | Elisa Corporation |
| **GRI 416: Customer Health and Safety 2016** | | |
| **Incidents of non-compliance concerning the health and safety impacts of products and services [pcs] (416-2)** | | |
| No confirmed incidents in 2023 | | Elisa Corporation |
| **GRI 417: Marketing and Labeling 2016** | | |
| **Incidents of non-compliance concerning product and service information and labeling [pcs] (417-2)** | | |
| No confirmed incidents in 2023 | | Elisa Corporation |
| **Incidents of non-compliance concerning marketing communications [pcs] (417-3)** | | |
| One case related to non-compliance with marketing communications which has been closed. | | Elisa Corporation |

## Own Indicators

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Code of Conduct training completion [%]** | **99%** | **98%** | **93%** | The figure excludes employees on longer sick leaves, absences and maternity leaves. Additionally new hires with tenure 14 days or less is excluded. | Elisa Corporation |
| **Contribution to the Society [%]** | **104%** | **87%** | **87%** | Calculated as perfromance of survey against annual target (24).<br><br>Survey conducted among Finnish and Estonian citizens asking to evaluate whether Elisa acts responsibly in society. | Elisa Finland and Elisa Estonia |
| **Customer Satisfaction in Relation to NPS Target [%]** | **108%** | **97%** | **81%** | Calculated as perfromance of survey result against annual target(26.1).<br><br>Survey conducted among Finnish and Estonian customers by asking how likely they are to recommend Elisa. | Elisa Finland and Elisa Estonia |
| **Code of Ethical Purchasing training completion [%]** | **94%** | **70%** | **100%** | In 2023, the target group for the training has been extended to include other Elisa companies in Finland. 2023 training figure includes Elisa Oyj, Elisa Santa Monica Oy and Fonum Oy.<br><br>The targets are set annually. | Elisa Finland |

| | Description | Data includes |
|---|---|---|
| **Supply chain sustainability development** | | |
| Supply chain audits performed as planned. Supplier EcoVadis-rating and SBTi-target is added to be presented in Vendor Management dashboard. | | Elisa Finland |
| **Employee Engagement [%]** | | |
| **100%** | The perfromance is calculated as percentage of employee survey result to annual target (77).<br><br>Employee engagement survey is conducted twice a year to understand Elisians' experiences on different topics of the organisation and its functionalities in order to develop things further. | Elisa Corporation |
| **Women in Supervisor position [%]** | | |
| **29%** | 2022 was the first year Elisa reported this indicator as part of its Sustainability objective targets. Elisa's target is to have 32% of women supervisor by 2024.<br><br>It is calculated as share of women in supervisor position (have subordinates) divided by all genders in supervisor position. | Elisa Corporation |
| **Population coverage of Elisa's high-speed connections [%]** | | |
| **92.5%** | 2022 was the first year Elisa reported this indicator as part of its Sustainability objective targets.<br><br>Elisa's target is to have Elisa's high-speed connection (>100 Mbps ) availability to all Finnish households by 2025. | Elisa Finland |

# Economic Sustainability

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## GRI Indicators

### GRI 201: Economic Performance 2016

| Direct economic value generated and distributed [EUR million] (201-1 ) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Net sales** | **2,180** | **2,130** | **1,998** | Includes financial incomes. | Elisa Corporation<br><br>In 2023, Elisa Videra's data is only incorporated up until November, following which it was divested from the Elisa group. |
| Suppliers and partners | 1,017 | 1,008 | 936 | | |
| Personnel remuneration | 417 | 395 | 374 | | |
| Dividends and interests | 362 | 338 | 325 | | |
| Taxes and other public oblications | 83 | 83 | 77 | | |
| Capital expenditure investments | 321 | 290 | 265 | | |
| Community Investments | 0.08 | 0.08 | 0.03 | | |
| | | | | | |
| **Taxes and tax-like payments** | **603** | **577** | **531** | | Elisa Corporation<br><br>In 2023, Elisa Videra's data is only incorporated up until November, following which it was divested from the Elisa group. |
| Corporate tax | 83 | 83 | 77 | | |
| Value-added tax | 301 | 289 | 275 | | |
| Income tax and withholding tax | 139 | 134 | 132 | | |
| Statutory employer’s social insurance payments and other taxes | 65 | 52 | 29 | | |
| Public fees | 15 | 20 | 18 | | |

### Financial implications and other risks and opportunities due to climate change (201-2)

| Risk | Description | Impact assesment | Risk management/opportunity |
|---|---|---|---|
| **Changes in average temperatures due to global warming** | Rising average temperatures and heat waves will increase need for cooling in Elisa's telefacilities and other premises. | Very likely in the long term, with a low impact for Elisa. Costs will increase due to investments in cooling systems and higher energy consumption. We estimate increases in electricity consumption to be about 2%. | Climate mitigation enablement / Developing new businesses through sustainability innovations: We have in some cases been able to productise solutions that are used in Elisa's own operations, into new services that enable our customers to reduce their own carbon footprint. For example, our international Elisa Polystar, Elisa IndustrIQ, and Elisa Distributed Energy Storage businesses provide such carbon handprint solutions. |
| **Extreme weather events due to climate change** | Climate change causes extreme weather phenomena, which can cause interruptions in Elisa's services, for example due to power failures or disruptions in supply chain logistics. | Virtually certain in the short term, with a low impact for Elisa. An increase in interruptive events will cause higher costs for personnel and replacement of broken equipment. Estimated costs vary between EUR 0.2-2.0m depending on frequency of events and other circumstances. | Climate adaption enablement / Enabling sustainability solutions in mature business areas: Elisa has in place a comprehensive real-time monitoring system for network disturbances, identifying problematic issues and enabling rapid repairs. We estimate that demand for real-time measurement and monitoring services provided to our customers will increase in the future. In times of even dramatic change, we provide society with reliable digital services that bring resilience and adaptability. |
| **Increasing costs due to markets, regulations, and energy taxes** | The Paris agreement strives to limit the average global temperature increase to 1.5°C, and to raise ambition levels by updated national targets every five years. This will have effects on regulation and taxation developments. | Likely in the short-term, with a medium-low impact for Elisa. Developments in the European energy market is reflected in society as a whole, for example through fluctuations in energy costs. Estimated implications of possible carbon market pricing, are for Elisa less than 1% of operational costs. | Energy efficiency / Improving energy efficiency through continuous improvement. Reducing carbon footprint by improving energy efficiency in operations: We continuously develop energy efficiency in our networks and invest in for instance reuse of waste heat from our data centres. We are actively evaluating opportunities in scaling up energy-related innovations, which will increase Elisa's carbon handprint for customers. We use hedging to improve the predictability of overall energy costs. |
| **Dependency on value chain commitments to climate targets** | Apart from energy usage, a significant part of the ICT industry's environmental impacts come from the manufacturing of devices and equipment. To achieve Elisa's ambitious climate-related goals, it is crucial to engage key stakeholders such as supply chain partners around climate change mitigation. | Unlikely in the medium term, with a medium-low impact for Elisa. Legislative requirements and standards are expected to drive most supply chain stakeholders in a more sustainable direction. Not achieving Net Zero commitments within the ICT industry would be a big setback from a climate change mitigation point of view. | Material efficiency / Integrating circular economy with daily business operations: Reducing environmental impacts of devices, by paying attention to durability, by offering repair services, and refurbishment and sales of used devices, and finally arranging safe recycling, are examples of actions by Elisa. We also take part in organisations such as JAC, GSMA, and ETIS, where we together with operators and supply chain stakeholders, assess and develop sustainable approaches within the ICT industry. |
| **Stakeholders expecting higher level of climate action from ICT industry** | Climate change builds environmental awareness among stakeholder groups. Increased demands on climate-friendly operations, as well as transparency and disclosures, adds also to related costs. | As likely as not in the medium term, with a medium-low impact for Elisa. According to the Sustainable Brand Index report 2023, 65% of Finnish consumers discuss sustainability regularly. Confusion about climate impacts of the ICT industry, might lead to less demand for the services provided. | Transparent engagement / Science-based targets and a robust climate transition plan: We actively engage with the authorities regarding environmental sustainability impacts of the ICT industry, and we prepare for emerging regulation from the EU, such as the CSRD. Elisa has set science-based targets (SBTi) around the Paris agreement, including a net-zero commitment for 2040, and we started to publicly communicate our Climate Transition Plan in 2023. |

## GRI 207: Tax 2019

| Country-by-country reporting [EUR million] (207-4) | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Total taxes and tax-like payments** | **603** | **577** | **531** | | |
| Finland | 541 | 515 | 474 | Taxes Paid by Elisa Corporation | |
| Estonia | 43 | 46 | 40 | | |
| Sweden | 6 | 7 | 8 | | |
| Spain | 1 | 1 | 1 | | |
| Germany | 6 | 6 | 4 | | |
| Other Countries | 5 | 3 | 4 | | Includes: Australia, Canada, France, Hungary, Italy, Malaysia, Norway, Romania, Russia, Singapore, Slovakia Taiwan, UK and USA. |

# SASB Indicators

## Competitive Behavior & Open Internet

| | Description | Data includes |
|---|---|---|
| **Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations (TC-TL-520a.1)** | | |
| Elisa reports significant legal consequences in Elisa's financial statements release 2023 (Significant legal and regulatory issues, p.11) | | Elisa Corporation |
| **Average actual sustained download speed of (1) owned and commercially-associated content and (2) non-associated content (Mbps) (TC-TL-520a.2)** | | |
| We do not disclose download speed. | | Elisa Corporation |
| **Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices(TC-TL-520a.3)** | | |
| Elisa operates in markets where data services are generally unlimited. Risks and opportunities of net neutrality, paid peer review and zero rating are not significant. However, 5G can bring new opportunities (e.g., network slicing and optimized services). We follow the instructions of the authorities in net neutrality issues related to productisation. | | Elisa Corporation |

## Sustainability-linked revolving credit facilities- indicators

| | 2023 | 2022 | 2021 | Description | Data includes |
|---|---|---|---|---|---|
| **Increase of the share of female in supervisor positions [%]** | **29%** | **27%** | **27%** | This indicator is part of Sustainability Criteria of Elisa's Sustainability linked loan.<br><br>It is calculated as share of women in leadership position (have subordinates) divided by all genders in leadership position. | Elisa Corporation |
| **Decrease of the share of population without access to high speed connection [%]** | **12%** | **14%** | **28%** | This indicator is part of Sustainability Criteria of Elisa's Sustainability linked loan.<br><br>From 2023 onwards, the data inlcudes Elisa Estonia. | Elisa Finland and Elisa Estonia |
| **Ensure carbon free electricity sourcing** | | | | | |
| 100% of electricity used in Elisa Finland and Elisa Estonia is from carbon free source covered through Certificate of Origins and PPA. | | | | This indicator is part of Sustainability Criteria of Elisa's Sustainability linked loan.<br><br>The target is to have 100% carbon free electricity sourcing including own installations. | Elisa Finland and Elisa Estonia |

## Own Indicators

| | 2023 | 2022 | Description | Data includes |
|---|---|---|---|---|
| **Development of patent applications [pcs]** | **40** | **40** | 2022 was the first year Elisa reported this indicator as part of its Sustainability objective targets.<br><br>Elisa has target to develop its patent applications to be more than 100 by 2024. | Elisa Corporation |

# EU Taxonomy Indicators

## Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

| **Financial Year** | **2023** | | | **Substantial contribution criteria** | | | | | | **DNSH criteria (Does Not Significantly Harm)** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code | Turnover | Proportion of turnover | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum Safeguards | Proportion of Taxonomy aligned or eligible turnover, 2022 | Category (enabling activity) | Category (transitional activity) |
| Text | | MEUR | % | 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)** | | | | | | | | | | | | | | | | | | | |
| Storage of electricity | CCM 4.10 | 0.3 | 0.0% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | N/A | Y | Y | N/A | Y | Y | Y | | E | |
| Data processing, hosting and related activities | CCM 8.1 | 5.6 | 0.3% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | N/A | Y | Y | N/A | Y | N/A | Y | 1.0% | | T |
| Programming and broadcasting activities | CCA 8.3 | 177.6 | 8.1% | N/EL | Y | N/EL | N/EL | N/EL | N/EL | N/A | N/A | N/A | N/A | N/A | N/A | Y | 8.4% | E | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **183.4** | **8.4%** | **0.3%** | **8.1%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **N/A** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | | | |
| Of which Enabling | | **177.8** | **8.2%** | **0.0%** | **8.1%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **N/A** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | 8.4% | E | |
| Of which Transitional | | **5.6** | **0.3%** | **0.0%** | | | | | | **N/A** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | 1.0% | | 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 | | | | | | | | | | |
| Installation and operation of electric heat pumps | CCM 4.16 | 0.1 | 0.0% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Repair, refurbishment and remanufacturing | CE 5.1 | 14.5 | 0.7% | N/EL | N/EL | N/EL | N/EL | **EL** | N/EL | | | | | | | | | | |
| Product as a service and other circular use- and result-oriented service models | CE 5.5 | 24.9 | 1.1% | N/EL | N/EL | N/EL | N/EL | **EL** | N/EL | | | | | | | | | | |
| Data processing, hosting and related activities | CCM 8.1 | 26.0 | 1.2% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.2% | | |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **65.5** | **3.0%** | **1.2%** | **0.0%** | **0.0%** | **0.0%** | **1.8%** | **0.0%** | | | | | | | | | | |
| **A. Turnover of Taxonomy eligible activities (A.1+A.2)** | | **249.0** | **11.4%** | **1.5%** | **8.1%** | **0.0%** | **0.0%** | **1.8%** | **0.0%** | | | | | | | | | | |
| **B: TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **Turnover of Taxonomy-non-eligible activities** | | **1,931.5** | **88.6%** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **2,180.5** | **100.0%** | | | | | | | | | | | | | | | | |

## Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

| **Financial Year** | **2023** | | | **Substantial contribution criteria** | | | | | | **DNSH criteria (Does Not Significantly Harm)** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code | CapEx | Proportion of CapEx | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum Safeguards | Proportion of Taxonomy aligned or eligible CapEx , 2022 | Category (enabling activity) | Category (transitional activity) |
| Text | | MEUR | % | 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)** | | | | | | | | | | | | | | | | | | | |
| Electricity generation using solar photovolatic technology | CCM 4.1 | 0.1 | 0.0% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | N/A | Y | N/A | N/A | Y | Y | Y | | | |
| Storage of electricity | CCM 4.10 | 5.6 | 1.8% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | N/A | Y | Y | N/A | Y | Y | Y | | E | |
| Data processing, hosting and related activities | CCM 8.1 | 1.6 | 0.5% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | N/A | Y | Y | N/A | Y | N/A | Y | 2.6% | | T |
| Programming and broadcasting activities | CCA 8.3 | 5.8 | 1.8% | N/EL | Y | N/EL | N/EL | N/EL | N/EL | N/A | N/A | N/A | N/A | N/A | N/A | Y | 1.7% | E | |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **13.1** | **4.1%** | **2.3%** | **1.8%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **N/A** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | | | |
| Of which Enabling | | **11.4** | **3.5%** | **1.8%** | **1.8%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **N/A** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | 1.7% | E | |
| Of which Transitional | | **1.6** | **0.5%** | **0.5%** | | | | | | **N/A** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | 2.6% | | 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 | | | | | | | | | | |
| Installation and operation of electric heat pumps | CCM 4.16 | 0.6 | 0.2% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Production of heat/cool from geothermal energy | CCM 4.22 | 0.2 | 0.1% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Production of heat/cool using waste heat | CCM 4.25 | 0.0 | 0.0% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5 | 3.6 | 1.1% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Acquisition and ownership of buildings | CCM 7.7 | 36.3 | 11.3% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Repair, refurbishment and remanufacturing | CE 5.1 | 0.0 | 0.0% | N/EL | N/EL | N/EL | N/EL | **EL** | N/EL | | | | | | | | | | |
| Product as a service and other circular use- and result-oriented service models | CE 5.5 | 0.0 | 0.0% | N/EL | N/EL | N/EL | N/EL | **EL** | N/EL | | | | | | | | | | |
| Data processing, hosting and related activities | CCM 8.1 | 7.0 | 2.2% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.4% | | |
| Programming and broadcasting activities | CCA 8.3 | 0.0 | 0.0% | N/EL | **EL** | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0% | | |
| **CapEx of Taxonomy-eligible but not environmentally sustainable activities(not Taxonomy-aligned activities) (A.2)** | | **47.7** | **14.8%** | **14.8%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | | | |
| **A. CapEx of Taxonomy eligible activities (A.1+A.2)** | | **60.8** | **18.9%** | **17.1%** | **1.8%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | | | |
| **B: TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomy-non-eligible activities** | | **260.7** | **81.1%** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **321.4** | **100.0%** | | | | | | | | | | | | | | | | |

## Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

| Financial Year | 2023 | | | Substantial contribution criteria | | | | | | DNSH criteria (Does Not Significantly Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code | OpEx | Proportion of OpEx | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum Safeguards | Proportion of Taxonomy aligned or eligible OpEx, 2022 | Category (enabling activity) | Category (transitional activity) |
| Text | | MEUR | % | 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)** | | | | | | | | | | | | | | | | | | | |
| Programming and broadcasting activities | CCA 8.3 | 0.4 | 0.4% | N/EL | Y | N/EL | N/EL | N/EL | N/EL | N/A | N/A | N/A | N/A | N/A | N/A | Y | 0.0% | E | |
| **OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0.4** | **0.4%** | **0.0%** | **0.4%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **N/A** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | | | |
| Of which Enabling | | **0.4** | **0.4%** | **0.0%** | **0.4%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **N/A** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | 0.0% | E | |
| Of which Transitional | | **0.0** | **0.0%** | **0.0%** | | | | | | **N/A** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | 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 | | | | | | | | | | | |
| Electricity generation using solar photovolatic technology | CCM 4.1 | 0.0 | 0.0% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Storage of electricity | CCM 4.10 | 0.0 | 0.0% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Installation and operation of electric heat pumps | CCM 4.16 | 0.0 | 0.0% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Production of heat/cool from geothermal energy | CCM 4.22 | 0.0 | 0.0% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Production of heat/cool using waste heat | CCM 4.25 | 0.0 | 0.0% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Repair, refurbishment and remanufacturing | CE 5.1 | 0.0 | 0.0% | N/EL | N/EL | N/EL | N/EL | **EL** | N/EL | | | | | | | | | | |
| Product as a service and other circular use- and result-oriented service models | CE 5.5 | 0.0 | 0.0% | N/EL | N/EL | N/EL | N/EL | **EL** | N/EL | | | | | | | | | | |
| Data processing, hosting and related activities | CCM 8.1 | 0.0 | 0.0% | **EL** | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0% | | |
| Programming and broadcasting activities | CCA 8.3 | 0.0 | 0.0% | N/EL | **EL** | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0% | | |
| **OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **0.0** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | | | |
| **A. OpEx of Taxonomy eligible activities (A.1+A.2)** | | **0.4** | **0.4%** | **0.0%** | **0.4%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | | | | | | | | | | |
| **B: TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **OpEx of Taxonomy-non-eligible activities** | | **110.1** | **99.6%** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **110.5** | **100.0%** | | | | | | | | | | | | | | | | |

## Annex VII

## Template 1 Nuclear and fossil gas related activities.

| Row | Nuclear energy related activities | |
|---|---|---|
| **1.** | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | NO |
| **2.** | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | NO |
| **3.** | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | NO |
| | **Fossil gas related activities** | |
| **4.** | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | NO |
| **5.** | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| **6.** | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | NO |

# Independent Assurance Report to the Management of Elisa Corporation

*Scope*

We (Ernst & Young Oy, hereafter "EY") have been engaged by Elisa Oyj (hereafter "Elisa") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on the sustainability information in Elisa's Annual Report 2023 (hereafter "the Subject Matter") for the period 1.1.-31.12.2023.

*Criteria applied by Elisa*

In preparing the Subject Matter, Elisa applied the Global Reporting Initiative Sustainability Reporting Standards, Task Force on Climate-related Financial Disclosures and the Sustainability Accounting Standards Board Standards (hereafter "the Criteria"). As a result, the subject matter information may not be suitable for another purpose.

*Elisa's responsibilities*

Elisa's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

*EY's responsibilities*

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with Elisa on 8.9.2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

*Our Independence and Quality Control*

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, 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.

*Description of procedures performed*

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the sustainability and related information in 2023 and applying analytical and other appropriate procedures.

Our procedures included:

a. An update of our knowledge and understanding of Elisa's material sustainability reporting topics,
b. An assessment of suitability and application of the reporting principles regarding the stakeholders' needs for information,
c. Interviews with senior management to understand Elisa's corporate responsibility leadership,
d. Interviews with personnel responsible for gathering and consolidation of the sustainability information to understand the systems, processes and controls related to gathering and consolidating the information,
e. Assessing sustainability data from internal and external sources and checking the data to reporting information on a sample basis to check the accuracy of the data,
f. Site visit to CamLine (Munich, Germany)

We also performed other procedures deemed necessary in the circumstances.

*Conclusion*

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the sustainability information in Elisa's Annual Report 2023 for the period 1.1-31.12.2023, in order for it to be in accordance with the Criteria.

Helsinki, 5th March 2024

**Ernst & Young Oy**
Authorized Public Accountant Firm

**Terhi Mäkinen**
Authorized Public Accountant

**Nathalie Clément**
Leader of Climate Change and Sustainability Services

# Signatures to the Elisa sustainability and non-financial report

Helsinki, 5 March 2024

Anssi Vanjoki, Chair of the Board

Pia Kåll

Veli-Matti Mattila, CEO
(until 29 February 2024)

Maher Chebbo

Eva-Lotta Sjöstedt

Topi Manner, CEO
(since 1 March 2024)

Kim Ignatius

Antti Vasara

Katariina Kravi