



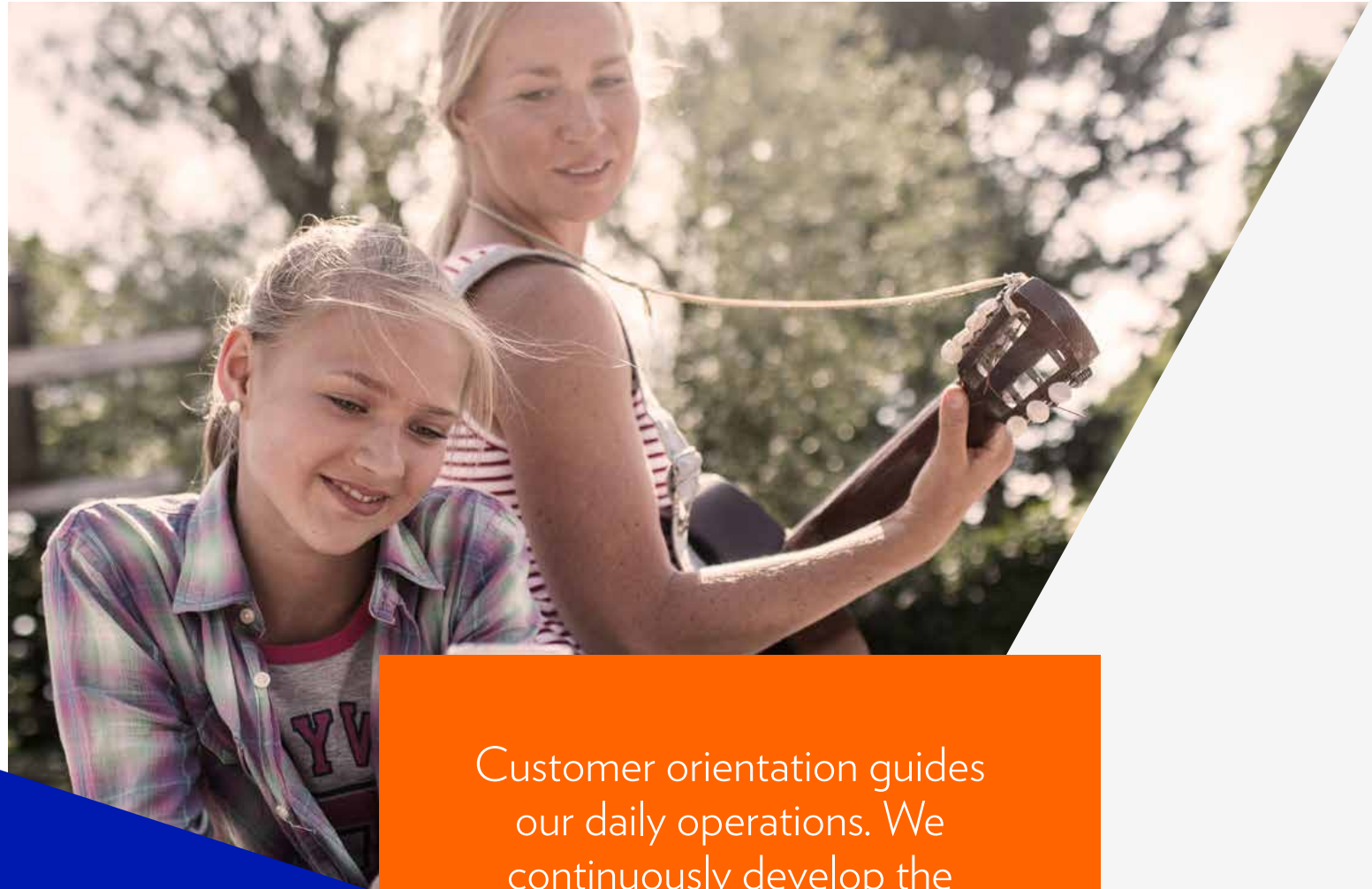
Elisa's annual report consists of four parts: Annual review | Financial statements | Responsibility report | Corporate Governance statement



# Responsibility report 2017

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Customer orientation guides our daily operations. We continuously develop the reliability, safety, availability and climate impact of our services.

# Responsibility at Elisa

*As a Finnish pioneer in telecommunications, ICT and online services, we have a key role as part of society. We are the market leader in mobile and fixed network services in Finland, and number two in mobile services in Estonia. We serve over 2.8 million consumers, corporate and public administration customers in our main markets and internationally. We provide environmentally friendly communication and entertainment services, and tools to improve operations and productivity of organisations.*



It is important for us that we act responsibly, ethically and lawfully in all situations. Our [Code of Conduct](#) guides our operations. We have adopted the Elisa Code of Conduct based on our [values](#). Commonly agreed code of conduct and policies enable sustainable, ethical and successful business and assure our stakeholders of our trustworthiness.

Code of conduct together with Elisa principles of contract and conflict of interest policy are important guidelines to ensure ethical business, equal, information secure and anti-corruptive corporate culture. We are committed to UN Global Compact. All Elisa's public commitments, policies and indexes can be found from the [corporate responsibility website](#).

Global megatrends that influence Elisa's business and Elisa's business model are described under Strategy and operating environment in the annual report. From the viewpoint of corporate responsibility, key megatrends that influence the ICT sector and Elisa's business are:

## WORLD OF SECURE CONNECTIONS

Digitalisation and cyber security, which will be pervasive in the future, are essential features for individuals, services and products.

### Elisa's most important themes:

Information security, operational reliability and reliability of services.

## AGEING POPULATION

The number of older people (65+ years) in the population will increase, and their standard of living will be higher than before. Mobile health services, remote measuring and remote analytics will allow older people to live at home.

### Elisa's most important themes:

Ease of use of services, availability and accessibility.

## ARTIFICIAL INTELLIGENCE AND AUTOMATION

Performing and learning systems increase our understanding of our customers, improve the quality of our operations and create new business opportunities.

### Elisa's most important themes:

Functionality of networks, availability of services and information security.

## SUSTAINABLE DEVELOPMENT

Limited natural resources and climate change are steering societies towards a more intelligent way of utilising information and digital solutions. Services are offered more efficiently, virtually and remotely.


### Elisa's most important themes:

Network energy consumption, recycling of devices, use of renewable energy and requirements of environmental legislation.

Our corporate responsibility is based on our [strategy](#), [values](#) and [business model](#). Together with our stakeholders, we have determined responsibility themes that we measure with a scorecard.

These themes allow us to influence the [UN Sustainability Development Goals](#) either through our own actions (footprint) or through services developed for our customers and other stakeholders (handprint).




 We enable safe digital environment for everyone

We co-operate with stakeholders to make digital environment safe.


We increase awareness of digital safety.

We do co-creative service design to ensure accessible and safe services.

We recycle devices safely.






We act with empathy



We do activities to ensure especially youth and senior people inclusion in digital environment.

We support workforce adaption to digital workplace.

We do responsible sales and customer communication.



We act responsibly, ethically and lawfully



We improve our energy efficiency in networks and working environments.

We use renewable electricity.

We make economic contributions to society through investments, taxes, employment, sponsoring and charity.

## Risks

Risk management is an essential part of Elisa's internal control system. It aims to ensure that risks affecting the company's business are identified, influenced and monitored.

### Elisa has identified the following risks relating to corporate responsibility:

- Risks associated with information security and privacy protection; leaks of personal data, phishing and information security breaches involving personal data, in particular
- Climate risks that could influence the operational reliability of services if extreme weather conditions became more common
- Risks associated with personnel arrangements, outsourcing in particular: discrimination risks and risks associated with working conditions or equal pay
- Occupational health and safety risks, particularly in the case of maintenance or installation work done as subcontracting, and personnel coping at work
- Potential human rights violations, particularly violations pertaining to workers' rights, discrimination, child labour or forced labour in the supply chain
- Risks associated with corruption or bribery, particularly in relation to the supply chain and customer relations
- Risks associated with customer communication, including incorrect or insufficient communication

As a new risk management measure in 2017, we launched a compliance programme aiming to update Elisa's current compliance management model including anti-corruption, competition law, product- and environmental responsibility and further work safety and -conditions. We also performed a Group-level human rights risks and impacts screening

For more information on our risk management, [please see our investor pages](#). The management of risks associated with corporate responsibility is described in our corporate responsibility management principles and policies. There is more information about these principles and policies on our [corporate responsibility website](#).



In 2017, we launched a compliance programme aimed at updating Elisa's current compliance management model.



Active stakeholder dialogue is an important part of the daily development of Elisa's business operations and corporate responsibility.

## Key topics and stakeholders

In recognising Elisa's material corporate responsibility aspects, we have taken into account the most important financial, social and environmental effects of our operations, products and services, as well as other significant trends affecting the industry, and we have applied the GRI reporting guidelines.

We conducted wide stakeholder survey as a part of year 2017 corporate responsibility strategy work. The corporate responsibility topics were reviewed and reassessed as a result of the strategy work and other stakeholder feedback during the year.

### The key topics and material focus areas in our corporate responsibility reporting are:

- Information security and privacy protection
- Financial responsibility
- Availability, safety and accessibility of services
- Responsible employer
- Energy efficiency and climate change
- Ensuring operational reliability in society
- Responsible customer communication

Our most important stakeholders are our personnel, customers, owners, social operators and partners. A stakeholder assessment is performed annually in connection with the update of the materiality analysis by Elisa's Executive Board.

Active stakeholder dialogue is an important part of the daily development of Elisa's business operations and corporate responsibility. We engage in active dialogue by means of regular surveys and various studies.

Our stakeholders can report breaches of the Elisa Code of Conduct by sending email to [codeofconduct@elisa.fi](mailto:codeofconduct@elisa.fi). Stakeholders can ask for advice or report violations of the Code, also anonymously, to Elisa's internal audit or Elisa's Legal Services.

In addition Elisa employees can report violations to their supervisor or to HR helpdesk. The cases are investigated using processes in place. We address violations of the Code by appropriate means.

For more information about [stakeholder dialogue](#), please see our [corporate responsibility website](#).








Corporate responsibility aspects are regularly discussed by the Elisa Executive Board and the Board's audit committee. A description of corporate responsibility management and external initiatives can be found on our [corporate responsibility website](#).

### In 2017, we signed and committed to the following initiatives:

- [UN Women's Empowerment Principles \(WEP\)](#)
- [Commitment 2050](#)
- [Energy Efficiency Agreement](#)
- [Science Based Targets](#)

## Goals and performance

Corporate citizenship is one of Elisa's strategic goals, which are measured with the scorecard. We have determined the following medium-term corporate responsibility goals and indicators, which we report annually in our corporate responsibility report:

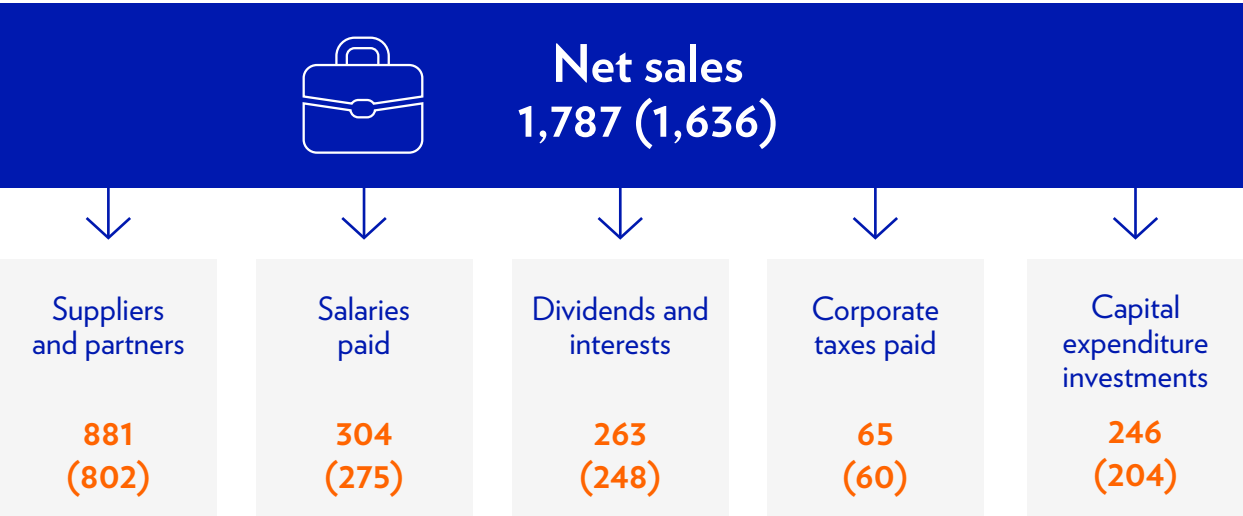
Theme	Target	Target year	Performance
CORPORATE CITIZENSHIP	We enable a safe digital environment for all	2019	New KPI, targets has been set in 2017
	We are empathetic		
	We are ethical and follow the law		
FINANCIAL	Elisa's medium-term goals, <a href="http://corporate.elisa.com/investors">http://corporate.elisa.com/investors</a>	2020	
DIGITAL	100 per cent of Elisa employees have completed dataprotection training <sup>1)</sup>	Continuous	
	Cybersecurity	Continuous	
	Reducing the number of disturbances	2020	
SOCIAL	Job satisfaction is $\geq 3.5$ in 98 per cent of teams	2019	
	Customer satisfaction	2019	
	100 per cent of Elisa employees have completed the CoC training	Continuous	
	Developing responsibility in the supply chain	Continuous	Renewal of auditing practices
ENVIRONMENT	Science Based Targets	2025	Target has been set in 2017
	CO <sub>2</sub> emission savings	2019	

<sup>1)</sup>Data protection training was renewed in 2017 and the new training was launched in October 2017

# Financial responsibility

*As a responsible company, taking care of the financial profitability and competitiveness of our operations is important to us, as it is the only way to guarantee continuous development of our services and network, as well as to employ thousands of competent employees together with our partner network. We also participate in a significant manner in the development of society as a whole by paying corporate income tax, engaging in active R&D and cooperating with startups.*

### Financial effects 2017 (EUR million)



Capital expenditure investments doesn't include investments in licenses.

### Research and development

We at Elisa believe that in the future, services will be built by open-mindedly trying out new opportunities and cooperating with innovation networks.

We promote the development of digital society by, for instance, our participation in R&D and cooperation with startups. A key part of this activity is a trainee programme for successful students in academic institutions. In six years, we have employed 42 students through the programme.

### Promoting top international research

We have established strong cooperation between academic researchers and Elisa's business operations to promote our understanding of new scientific breakthroughs and thus promote our strategic choices.

We continuously look for new opportunities to cooperate with the best international researchers in different scientific fields. In 2017, Elisa Research brought Elisa employees and over 150 new top researchers from ten countries together and promoted top-notch research in 24 research projects.





Over the course of several years, we have introduced to the market several innovations with startup companies, thus promoting the success of new companies.

In addition, through the [HPY Research Foundation](#), we support scientific research, teaching and development work in Finnish telecommunications technology, telecommunications and data communications. By 2017, the HPY Research Foundation had granted a total of EUR 1,015,710 in scholarships, mainly to researchers preparing their dissertations in different universities. The library of the HPY Research Foundation includes approximately 109 dissertations.

### **Renewal through startup partnerships**

Startup partnerships are an important part of Elisa's continuous development. Over the course of several years, we have introduced to the market several innovations with startup companies, thus promoting the success of new companies. In 2017, Elisa had more than eighty Finnish and international startup partners.

We continuously collect feedback from startups, and according to the feedback, we are an easily approachable and agile partner. We aim for business that benefits both parties, in which we can act as an early-phase customer for startups or offer our effective sales channels to them.

As an early-phase customer, we have been able to use, for instance, artificial intelligence created by the startup Two Hat Security in Habbo Hotel to cut the operating costs of the service by more than 50 per cent. As a sales channel, we continued our cooperation with the startup OnePlus, for example. Their products were also Elisa's bestselling phones in 2017.

For the third time, we arranged the [Elisa Innovation Challenge](#) to encourage both companies and private individuals to create new product and service innovations with the help of network technology.

In 2017, we received 84 proposals from 19 countries. The developers of the best products were announced and the awards were handed out at Slush 2017. Elisa was the main cooperation partner of the event for the fourth year in a row. The winner selected from among the three finalists was the Finnish startup iqBox with its remotely controlled and energy efficient smart mailbox that allows for food deliveries even when the customer is not at home to receive the order.

## Taxes and investments

By paying taxes and other public levies, we participate in the development of society as a whole. We are significant corporate income tax payer in Finland. According to the confirmed tax information for 2016, Elisa was the seventh largest taxpayer company and paid more than 80 per cent of all the taxes paid by Finnish telecoms operators.

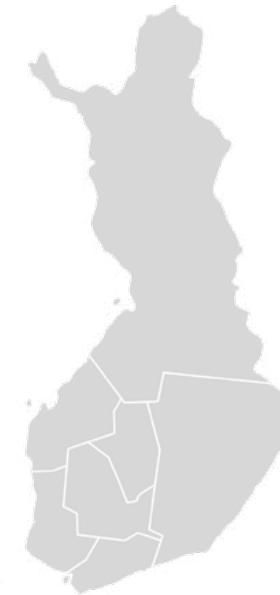
In 2016, we paid EUR 392 million of taxes in Finland, of which EUR 60 million was corporate income tax. In Estonia, the company must only pay corporate income tax if it pays dividends to its owners. Elisa Estonia has not paid any dividends to its parent company.

Elisa operates throughout Finland, and 30,59 per cent of the corporate income tax goes to municipalities. Around half of this went to municipalities outside the Helsinki metropolitan region, which means that we are a major corporate income taxpayer in many locations in Finland.

We are also the most important operator-investor in Finland. We build and maintain landline and mobile communications networks in our main market areas in Finland and Estonia.

In 2017, our capital expenditure investments totalled EUR 246 (204) million. Our investments were yet again allocated directly to the development of the data communications infrastructure, 4G networks, the landline trunk network, IT systems, digital services and customer terminal equipment.

## 2016 Municipalities share of Elisa's corporate tax in regions (EUR)

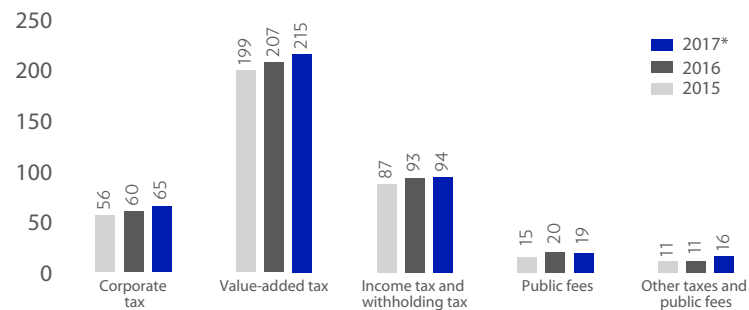


Häme	2,783,283
Eastern Finland	2,117,712
Central Finland	443,296
Western Finland	549,174
Ostrobothnia	1,580,919
Northern Finland	718,837
Uusimaa	10,527,404

**Total**  
18,720,625

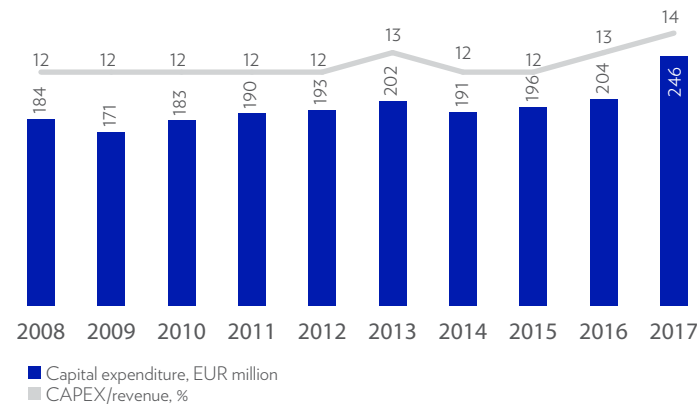
### Elisa's taxes

EUR million



\*Unconfirmed taxes

### Elisa's capital expenditure 2017



# Digital responsibility

*Our business operations are based on the trust of our customers, the functionality of our services and information security. As the world becomes more digital and more and more activities are handled electronically, cybersecurity becomes even more important. The reliability and information security of our ICT services and processes are also emphasised.*

## Data protection and information security

Digitalisation has exposed us to online crime. As everything takes place online, an ever-increasing number of people are subjected to more varied and professional malfeasance. Furthermore, digitalisation and implementation of the new [EU General Data Protection Regulation \(GDPR\)](#) emphasise the significance of data protection. Built-in data protection not only minimises risks and their consequences, but also maintains customers' trust in companies.

In our information security policy and safety management model, we define the principles, roles and responsibilities that we follow in the development, maintenance and monitoring of security and data protection. The policies are binding on Elisa, its subsidiaries and, via agreements, also on Elisa's suppliers and subcontractors.

For more information about information security management, please see our [corporate responsibility website](#).

## Data protection

We pursue a high level of data protection in all our operations. We process the personal data of our customers, employees and partners, which is why data protection and confidential communications are of utmost importance. We have introduced data protection principles into all of our operations that require the processing of personal data. Our employees and partners have been trained to take data privacy into account in their work, and we all are obligated of confidentiality concerning information in the scope of data privacy.

The enforcement date for GDPR is on 25<sup>th</sup> of May 2018. The future GDPR will emphasise the significance of data protection as well as clarify the data protection requirements concerning the processing of personal data.

We have started preparations and assessment of our operations against future legislation well advance in order to make sure our readiness and capability for the



Data protection and confidential communications are of utmost importance in our operations.

requirements. We are managing the preparation and implementation of the GDPR according to our security management approach. The actions in the different business units and production units are controlled by a data protection team. In 2017, more than 300 people have been involved in implementation of the GDPR.

At the preparation stage, we have, among other issues, ensured that awareness of data protection increasing both Elisa and its subsidiaries; identified and implemented the necessary technical changes and development areas in the systems which we use to process personal data; performed data protection risk assessments for our operations; and comprehensively trained our employees to understand the requirements of changing legislation. Furthermore, we have verified that agreements are up to date and developed the necessary documentation, particularly in our role as a processor of our customer companies' personal data.

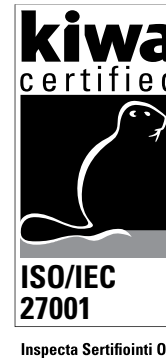
During the year, around 160 key Elisa employees from different parts of the organisation completed our Data Protection Ambassador training. The Data Protection Ambassador organisation has a key role in the introduction of the new data protection requirements throughout the organisation. In the training, the Data Protection Ambassadors studied in detail the requirements of the GDPR. They will receive continuous further training on topical data protection issues.

## Information security

Information security is a key part of our operations and the quality of our services. Customers, legislation and our business impose information security requirements.

Elisa's IT business unit received ISO 27001 information security certification in 2017 that covers capacity services and Elisa Security monitoring functions. In order to receive the certification, a company must prove that it applies a systematic information security policy to protect its information systems and confidential information, as well as to meet its statutory obligations.

A Finnish act on electronic identification entered into force in May 2017. It offers the opportunity to offer strong identification services to parties of the network of identification service providers. Due to the legislative reform, we introduced a new service called Elisa Tunnistus, which is connected to the network of identification service providers and includes all of the identification methods included in the network, bank identification and mobile certificates.



In order to improve consumers' information security, we were the first operator to introduce to the market the F-Secure SENSE router, which consumers can use to secure all of their smart devices. We also renewed Elisa's safety package service. The service protects children online, can be used to locate a misplaced phone and offers parents assistance in controlling their children's online activities.

Over the course of the year, some of our customers were subjected to both phishing and emails that contained malware. Phishing and malware distribution are criminal activities aimed at hampering the operation of the web or collecting confidential information, such as email user IDs and passwords. According to our practices, we immediately notified our customers of these incidents with instructions on what to do. Our website also includes information on what to do when you receive a phishing email or malware, and how to avoid being swindled.

In 2017, we organized both general and targeted information security training for all our employees. In targeted training employees were taught with the help of simulated risk scenarios to act in the correct manner when facing an information security threat or phishing attempt. A total of 5,598 elisians and persons working for Elisa from different Elisa's units participated in the simulation training.

## Functional network and services

Utilisation of digital services requires a reliable and higher data rates in communications network. One of our key tasks in Finland and Estonia is to ensure comprehensive and reliable mobile and data communication connections. We have a key role in securing operational reliability in society. For more information about network management and the safety of the mobile network, please see our [corporate responsibility website](#).

The majority of our investments were yet again directed towards improving the functionality and availability of the fixed and mobile networks. In addition to expanding the current networks, we actively study and test new technologies, such as 5G. We were the first company in Finland to test a technology where mobile base stations can be more easily managed remotely through a cloud

service. At the end of the year, we introduced the NB-IoT technology in our 4G network. It allows companies to use a precursor of 5G to test their 5G technologies and study new Internet of Things services.

Transferring mobile base stations to cloud services will both increase the reliability of the services, and save energy and reduce CO2 emissions. In the autumn, we started the construction of a network utilising the latest technology in Tampere. It will enable the launching of 5G services and smart urban solutions. Similar technology was also taken into use in downtown Helsinki.

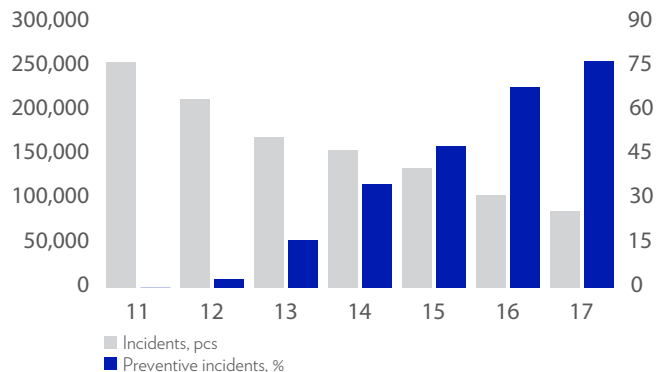
Elisa's experts ensure that our services are in operation 24/7 by active monitoring, proactive measures, trouble shooting as well as by modernising networks. During on call duty hours, we focus on anticipating threats and failures, as well as on repairing faults.

When we detect an extensive disturbance, we inform our customers as soon as possible and continue until the fault has been repaired. In 2017, we continued our investments in proactive, comprehensive communication about disturbances. We managed to continue to decrease the overall number of faults and the number of major disturbances, even though the number of services we offer is continuously growing.

Transfer of critical authorities services to commercial 4G network requires reliability testing of data transfer service in congested conditions. We successfully tested the prioritisation of official services with Nokia – first in a test environment in February, and then under actual conditions on First of May.

In Finland the authority governing safety of mobile networks is [Radiation and Nuclear Safety Authority](#) (STUK), while the corresponding authority in Estonia is part of the Ministry of the Environment (the Environmental Board). We continuously monitor research in the industry and guidelines published by the authorities. We work in close cooperation with other parties in the industry to reduce any harmful impacts of radio-frequency radiation, for example by careful planning of the locations of mobile base stations. We are an expert member in the Finnish Electromagnetic Fields (EMF) advisory board.

**Elisa network incident management development**





The majority of our investments were directed towards improving the functionality and availability of the landline and mobile phone networks.

## Availability and accessibility of services

We continuously develop our products and services based on our customers' needs. The goals of our ongoing development work are better experiences, profitability, safety and availability of our services. For more information about our accessibility development principles, please see our [corporate responsibility website](#).

We aim to design services to meet the needs of the most demanding customer in order to ensure accessibility to everybody (Design for All). We invited diverse customer groups to test our services and visited the customers' homes to see how the services work in a different environments and life situations. During the year, we engaged more than 200 different types of customers in the design and development of our services.

At the [Word Design Camp](#) arranged in the spring, young people together with Elisa's service designers developed the new ideas for reading and writing. The ideas designed at the camp were distributed for all young Finns to use. A corresponding co-creation workshop was arranged in the autumn as part of a project called [Pidetään yhtä](#) ("Stay Connected"), which aims to reduce the communication gap between generations.

Elisa's service designers arranged a workshop for members of the Finnish service design network to come up with ideas for how children's rights could best be taken into account in service design. [UNICEF](#) assisted in facilitating discussion at the event and the workshop was based on a children's rights assessment tool provided by UNICEF.

We continued arranging our highly popular digital schools for children at 18 locations. In 2017, we also offered digital training for entrepreneurs in cooperation with local associations of the Federation of Finnish Enterprises. The digital schools will continue in 2018.

The theme of a seminar arranged on United Nations Day was accessibility of services. In the seminar, an expert from the Finnish plain language expert centre [Selkokeskus](#) gave a key note presentation on clear communication. After the event, Elisa's communications professionals attended a clear communication training course arranged by Elisa and Selkokeskus.



In a gender equality study by Equileap, Elisa was the only Finnish company in the top ten.

# Social responsibility

*For us, social responsibility means bearing our responsibility for our customers, personnel and partners, in particular. Respecting human rights, equality, good management, wellbeing at work and safety are important to us. We require that our employees and partners respect human rights as well.*

## Responsible employer

We employ more than 4,700 professionals as full time employees in Finland and internationally. Elisa's success is based on the work input and wellbeing of our skilled staff with a capacity to evolve.

Digitalisation is affecting our business, the content of our work, our way of working, our management, our tools and our working environment. In working life, this requires continuous development, taking care of one's own wellbeing and open interaction. The change also requires that supervisors set clear goals.

New ways of working allow for flexible working and alternation between work and leisure. Clear goals, modern tools and flexible opportunities for working make work more meaningful and make employees more productive, as well as save time and help to protect the environment.

Elisa's management principles are based on training, the setting of clear goals and shared values. Daily management and performance appraisal discussions between supervisors and employees twice a year are a key part of management at Elisa.

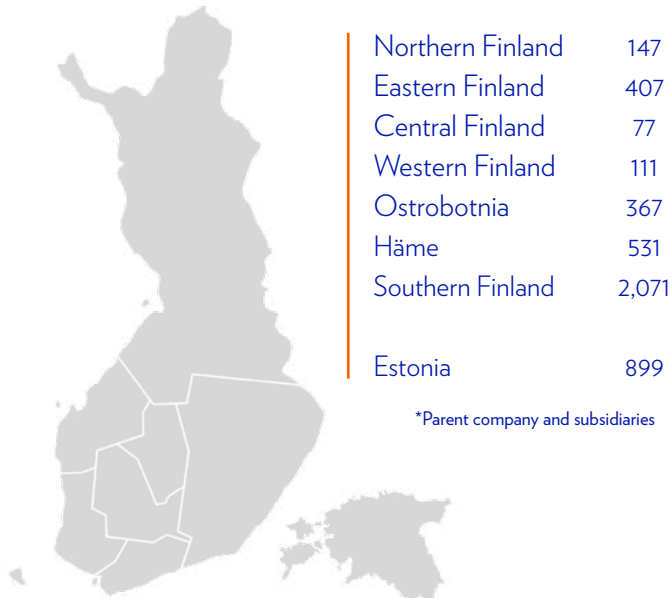
We promote equality and non-discrimination, and we support the transfer of women into male-dominated workplaces and vice versa. In addition to our employee satisfaction survey, we assess equality and non-discrimination with an annual equality and non-discrimination survey. According to the results of the equality and non-discrimination survey performed last spring, Elisa employees feel that they are being treated equally at work.

In an equality study by [Equileap](#), we were the only Finnish company in the top ten, and our employees voted Elisa as one of the best employers in Finland.

**Elisa personnel  
in different  
countries  
(31 December  
2017, head-  
count)**

Great Britain	18
Hong Kong	3
Italy	2
Norway	1
France	7
Spain	54
Finland	4,079
Sweden	6
USA	1
Estonia	968
Russia	11
Canada	1
Singapore	1

**Elisa personnel in Finland and Estonia  
(31 December 2017, FTE)\***



We have a zero-tolerance approach to workplace harassment and discrimination. We regularly monitor the achievement of our equality and non-discrimination goals.

Over the course of the year, we signed the [UN Women's Empowerment Principles](#) and updated our equality and non-discrimination plan, which includes our development actions. Furthermore, we completed a human rights risk assessment and arranged a human rights seminar for the employees of Elisa on United Nations Day. The theme of this year's seminar was plain language.

Our employees and partners have the right to work in a healthy and safe working environment, and an obligation to bear their responsibility for the working community.

Daily management is a key in promoting wellbeing at work, as well as occupational health and safety. It provides a good frame for early intervention actions. Additionally we cooperate with other parties in the industry and our partners to improve our own occupational safety and occupational safety in the industry in general. We focus particularly on the management of telecommunications connections, such as the working conditions of mechanics working on masts.



We offer high-quality healthcare with services considerably in excess of the Finnish statutory requirements. To support our staff in taking care of their wellbeing, we offer sports activities and hobbies.

More information is available in the Personnel review section of our annual report and on the [corporate responsibility website](#).



## Customer interaction and customer communications

*Elisa's customers include 2.8 million consumers, companies and public administration organisations in Finland, Estonia and around the world. A profound understanding of our customers' needs is a prerequisite for the development of our services to meet customers' changing needs. Customer orientation is one of our guiding values and customer satisfaction is an important factor in steering our operations.*

Information security, safety, availability and ease of use of our products and services are key aspects in the development of the customer experience. For more information about customer interaction management, please see our [corporate responsibility website](#).

In order to develop our services and operations, we continuously ask for feedback from our customers with the help of customer satisfaction surveys. We analyse the feedback and turn it into development plans to be used as the basis of our business.

In 2017, we invested in making it easier for consumers to contact us, developing the quality of customer interaction and multilingualism.

We have achieved good results by simplifying processes, adding customer-specific expertise, clarifying instructions and improving the processing of feedback offered by customers who contact us.

The positive development was reflected in our customer satisfaction indicator NPS (Net Promoter Score). The NPS for private customers in Finland increased by 19 per cent.

The EU General Data Protection Regulation (GDPR) will impose new requirements for the management of customer information. Over the past few years, we have invested in our data protection competencies and technical capabilities. We continued the development of our operations to, for example, ensure data management and keeping data up to date.



In 2017, we invested in making it easier for consumers to contact us, developing the quality of customer interaction and multilingualism.

## Partners

We cooperate with more than 5,700 suppliers and subcontractors, which means that partners are a key part of the responsible development of our business. We acquire a large part of our services, materials and products from within the EU (91.9 per cent) and some also from outside the EU (8.1 per cent).

Active cooperation ensures that the quality and responsibility goals are reached in the different parts of the supply chain. For more information about the management of responsible purchasing, please see our [corporate responsibility website](#).

We surveyed human rights risks pertaining to our supply chain as part of a human rights survey that covered the entire Group. The risks identified include human trafficking, discrimination, wages, the use of child labour and environmental/social effects.

To develop and survey key responsibility actions in the supply chain, we performed corporate responsibility surveys on 52 of our largest suppliers in summer 2017. Based on the survey results, we deepened our cooperation with two suppliers.

We updated [Elisa's Code of Ethical Purchasing](#) to correspond to the revised legislation regarding the posting of employees and the Act on the Contractor's Obligations and Liability When Work is Contracted Out.

We changed our Corporate Responsibility auditing practices in high-risk countries. Since 2017 new supplier audits in risk countries are performed by an third party Corporate Responsibility auditor. Audits cover labour conditions and- rights, environmental aspects, anti-corruption, human rights and monitoring of compliance.

In 2017 3 audits in risk countries were performed. 0 companies were rejected. During the audits, 34 observations were made, of which 3 were considered critical, 7 major and 24 minor. By the end of the year, 18 of all observations have been corrected of which 2 critical, 6 major and 10 minor.

Towards the end of 2017, suspicions regarding working hours in the Finnish operations of Tata Consulting Services were raised. TCS is a partner of Elisa. We ensured by means of a request for clarification that the operations comply with Elisa's general Code of Conduct and legislation.

## Cooperation projects

Supporting society and sponsorships are part of corporate citizenship. Elisa supports and sponsors carefully selected targets. Our partners appeal to wide focus groups, act responsibly and comply with Elisa's values while having natural links to our business. We always commit to long-term cooperation with the selected targets.

We have been engaged in long-term work towards the wellbeing of young people, in particular, over the course of several years. We have made major investments in the Tukikummit Foundation, Children of the Station and [ShedHelsinki](#), among others.

In spring 2017, we established the ShedHelsinki Foundation to support and realise child and youth welfare work in the form of musical theatre focusing on children with special needs. The chairperson of the Board of Directors of the ShedHelsinki Foundation is Elisa's CEO, Veli-Matti Mattila.

The work of the ShedHelsinki Foundation in 2017 culminated in a musical theatre performance. The play, *Prinsessa Ruusunen – Paluu tulevaisuuteen* ("Sleeping Beauty – Back to the Future") was realised in cooperation with the Helsinki City Theatre.



In autumn 2017, we launched a project called [Pidetään yhtä](#) ("Stay Connected"), aimed at promoting interaction between adults and young people. As part of the project, Elisa employees have the opportunity to take part in voluntary work during their regular working hours with selected partners. This one-year voluntary project goes by the name "Stay connected – as One Elisa" and allows employees of Elisa Corporation and Elisa Appelsiini Oy to perform voluntary work during one working day.

We also support the success story of Finnish reading and writing game [Ekapeli](#). Ekapeli has already helped thousands of Finnish children in learning how to read. The cooperation is based on Elisa's desire to support digital learning among children and adolescents to help ensure equal opportunities in society. The cooperation is a continuum to the Elisa [WORD](#) literacy project and the [digital schools](#), which have been arranged since 2014.

For more information on Elisa's cooperation projects, please see our [website](#).



We want to promote the achievement of carbon-neutral society. The reduction of carbon dioxide emissions has been part of our strategy since 2009.

# Environmental responsibility

*Our persistent environmental responsibility work focuses on climate and energy. We are determined to reduce our carbon footprint and that of our customers. The ICT industry has a key role in enabling more environmental friendly ways of operating and mitigating climate change. The global carbon footprint can be reduced by as much as 20 per cent with telecom and ICT products and services.*

For more information about Elisa's environmental policy and environmental management system, please see our [corporate responsibility website](#).

## Mitigating climate change

By developing our operations, we can offer sustainable digital services that supports our customers to use natural resources in a smarter and more climate-friendly manner.

In 2017, we set new carbon footprint goals. We committed to aim for carbon neutrality by 2050. The first milestone on our way to carbon neutrality is to reduce the carbon footprint of our energy consumption by 50 per cent from the 2016 level by 2025. We set these goals according to [Science Based Target initiative](#)'s requirements and they are in line with the goals agreed at the [Paris Climate Change Conference](#). We committed to the Finnish sustainability initiative [Commitment 2050](#). In addition we signed a

[Finnish Energy Efficiency Agreement](#) and performed the Energy Efficiency Directive audits that are required by 2019 well advance.

We continuously improve and renew our network, and purchase renewable energy to make our own carbon footprint as small as possible.

Our carbon footprint (Scopes 1 and 2) has decreased by 63 per cent since 2016. Nearly all of the electricity used by Elisa in Finland and Estonia, 267,672 MWh (276,931), comes from renewable sources. In 2017, the renewable electricity was produced by wind power in Finland and hydropower in Estonia.

We utilised more of the waste heat of our server room in Espoo than before. The amount of heat utilised amounted to the annual consumption of 122 (82) detached houses with electric heating. We have virtualised 63 per cent of our

own servers, which saved 13,172 MWh of energy in 2017. In our mobile networks, we achieved savings of 6,574 MWh through modernisation and electricity-saving properties.

We support our customers to reduce their carbon footprint with services that enable them to have efficient, environmentally sound operations.

Our customers achieved emissions savings of 34,901 tCO<sub>2</sub> (37,527) by using our solutions. The greatest savings were achieved by online interactive solutions: 27,564 (30,221) tCO<sub>2</sub>. Cloud services allowed our customers to save 7,264 (7,166) tCO<sub>2</sub>.

In 2017 we send approximately 23 million invoices, of which about 70 per cent are electronic. Roughly 90 per cent of our order confirmations are sent in electronic format.

We launched a smart commuting project, which included a survey of our entire personnel, workshops for key personnel and a commuting pilot. Based on the project results, we

have prepared a commuting development plan which listed actions will be enhanced in 2018.

We annually disclose our carbon footprint to the [CDP initiative](#) intended to international investors. In the CDP 2017 report, Elisa was accepted on the Climate A list with 106 leading companies. Thousands of companies from all around the world participate in the annual CDP climate reporting.

### Recycling and other environmental effects

A significant part of the ICT industry's environmental impact comes from the manufacture of devices. As a service provider, Elisa can reduce the environmental impact of devices by effectively and properly recycling decommissioned devices.

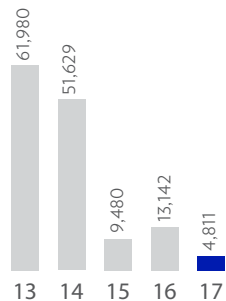
In 2017, we prepared a [recycling guidance video for our customers](#) and an internal training video for the personnel in our stores.



**63%**  
emission reduction

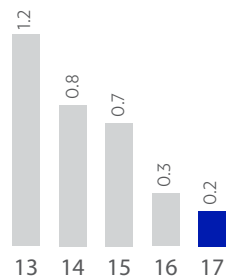
#### Elisa's carbon footprint

tCO<sub>2</sub>



#### Energy efficiency of mobile data transfer

kWh/GB



# Description of the report

Elisa's annual report consists of four parts: the financial statements, annual review, corporate governance and responsibility. The annual report is published in Finnish and English at [www.elisa.fi/vuosikertomus](http://www.elisa.fi/vuosikertomus). The different sections can be downloaded as interactive PDF files.

This is Elisa's fifth verified responsibility report that is published as part of the annual report. It is also Elisa's non-financial report. The report has been prepared according to the Global Reporting Initiative standards Core requirements and Nasdaq Nordic ESG Reporting Guide has also been taken into account when preparing the report.

The reporting period is the calendar year 2017. The Global Reporting Initiative index for 2017 is part of this report.

Elisa's management has decided to have the corporate responsibility report assured by a third party. The 2017 corporate responsibility report is assured by EY. The assurance covers the responsibility section of Elisa's 2017 annual report and the personnel review.

The reporting of key aspects covers all of the business units and subsidiaries included in Elisa's consolidated financial statements: Consumer Customers, Corporate Customers, Production, Support Services and the subsidiaries. The starting point for the reporting is the same scope as for the

financial reports (the Elisa Group). For some indicators, the scope has been limited due to a lack of reliable information. The deviations in the boundaries are explained in the context of the specific indicator. We will continue to develop the coverage of our reporting in these respects.

The financial information is 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 are included in accordance with the GRI guidelines. The calculation of carbon dioxide emissions is based on the Greenhouse Gas Protocol Corporate Standard ([www.ghgprotocol.org](http://www.ghgprotocol.org)). The figures for Scope 3 are reported according to the GHG Protocol Corporate Value Chain standard. The reporting of Scope 2 emissions takes into account GHG Protocol Scope 2 instructions. For a description of the calculation method, please see our [corporate responsibility website](#).

With regard to personnel, figures for both the parent company and subsidiaries are included. The structural changes in the Group are presented in more detail in the annual report.

The responsibility report is released annually. The previous reports are available at [www.elisa.fi/sijoittajille](http://www.elisa.fi/sijoittajille). Prior to 2013, we compiled an index describing responsibility measures based on the GRI's sustainable development reporting guidelines in 2011 and 2012. The publication date of the 2016 report was 15 March 2017.

## Contact information

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[firstname.lastname@elisa.fi](mailto:firstname.lastname@elisa.fi)

Corporate responsibility website:  
<http://corporate.elisa.com/responsibility>

Investor relations:  
<http://corporate.elisa.com/investors/investor-relations>

# Independent Assurance Report

(Translated from the original Report in Finnish language)

## TO THE MANAGEMENT OF ELISA OYJ

At the request of the Management of Elisa Oyj (hereafter Elisa) we have performed a limited assurance engagement on the information presented for the reporting period 1.1.–31.12.2017 in Elisa's Corporate Responsibility Report 2016 (hereafter corporate responsibility information).

### Management's responsibility

The Management of Elisa is responsible for the preparation and presentation of the corporate responsibility information in accordance with the GRI Sustainability Reporting Standards 2016, and Elisa's internal reporting guidelines (hereafter the reporting principles).

### Assurance Provider's responsibility

It is our responsibility to present an independent conclusion on the corporate responsibility information based on our work performed. We do not accept nor assume responsibility to anyone else except to Elisa for our work, for the assurance report and for the conclusions that we have reached.

We have conducted the assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'. The ISAE 3000 standard requires compliance with ethical requirements as well as planning and performing the assurance engagement to obtain limited assurance on

whether the corporate responsibility information has been prepared, in all material respects, in accordance with the reporting principles.

### Assurance Provider's independence and quality assurance

We comply with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the IESBA (International Ethics Standards Board for Accountants). We apply ISQC 1 (International Standard on Quality Control) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Limitations of the Engagement

In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the Assurance Provider's judgment, including an assessment of the risks that the corporate responsibility information would not, in all material respects, comply with the reporting principles. We have planned and performed our engagement to obtain sufficient appropriate evidence on which to base our conclusion.

We have performed, among others, the following procedures:

- a. An update of our knowledge and understanding of Elisa's material sustainability reporting topics, organisation and activities,
- 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 corporate responsibility information to understand the systems, processes and controls related to gathering and consolidating the information,
- e. Reviewing corporate responsibility data from internal and external sources and checking the data to reporting information on a sample basis,
- f. Performing recalculation of information and reviewing the underlying data which is the basis of narrative disclosures related to the data.
- g. Visited two sites and reviewed reporting practices

Our assurance report should be read in conjunction with the inherent limitations of accuracy and completeness for corporate responsibility information. This independent assurance report should not be used on its own as a basis for interpreting Elisa's performance in relation to its principles of corporate responsibility.

## **Conclusion**

Based on our work described in this report, nothing has come to our attention that causes us to believe that the corporate responsibility information has not been prepared, in all material respects, in accordance with the reporting principles, or that the Information is not reliable, in all material respects, based on the reporting principles.

Helsinki, 1 March 2018

Ernst & Young Oy

### **Terhi Mäkinen**

Partner, Authorized Public Accountant

### **Jani Alenius**

Leader of Climate Change and Sustainability Services

# Signatures to the corporate responsibility and non-financial report

Helsinki, 7 March 2018

**Raimo Lind**

Chairman of the Board of Directors

**Claris Berggårdh**

**Petteri Koponen**

**Leena Niemistö**

**Seija Turunen**

**Antti Vasara**

**Mika Vehviläinen**

**Veli-Matti Mattila**

President and CEO



# GRI content index 2017 – Elisa Oyj

Content	Name	Boundary	UN Global Compact
	<a href="http://corporate.elisa.com/responsibility">Website: http://corporate.elisa.com/responsibility</a>		
<b>GRI 102: GENERAL DISCLOSURES (GRI 102, 2016 standard)</b>			
<b>1. Organizational Profile</b>			
102-1	Name of the organization	Accounting principles	Elisa Corporation x
102-2	Activities, brands, products, and services	Elisa in brief	Elisa Corporation x
102-3	Location of headquarters	Basic information on the Group	Elisa Corporation x
102-4	Location of operations	Responsible employer	Elisa Corporation x
102-5	Ownership and legal form	Shares and shareholders	Elisa Corporation x
102-6	Markets served	Notes to the financial statements 1.	Elisa Corporation x
102-7	Scale of the organization	The report of the board of directors; Notes to the financial statements 1.	Elisa Corporation x
102-8	Information on employees and other workers	GRI indicators	Elisa Corporation x
102-9	Supply chain	Partners	Elisa Corporation x
102-10	Significant changes to the organization and its supply chain	Notes to the financial statements 2. 3. ja 35.	Elisa Corporation x
102-11	Precautionary Principle or approach	GRI indicators	Elisa Corporation
102-12	External initiatives	<a href="#">Responsibility at Elisa; Policies and guidelines; Indices and commitments; Management and targets</a>	Elisa Corporation
102-13	Membership of associations	<a href="#">Stakeholder dialogue</a>	Elisa Corporation
<b>2. Strategy</b>			
102-14	Statement from senior decision-maker	CEO's review	Elisa Corporation x
102-15	Key impacts, risks, and opportunities	Responsibility at Elisa; Risks ; GRI data	Elisa Corporation x
<b>3. Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behavior	Responsibility at Elisa; Code of conduct	Elisa Corporation x
102-17	Mechanisms for advice and concerns about ethics	Key topics and stakeholders; <a href="#">Stakeholder dialogue</a>	Elisa Corporation x
<b>4. Governance</b>			
102-18	Governance structure	Governance structure; <a href="#">Management and targets</a>	Elisa Corporation x
102-19	Delegating authority	Governance structure; <a href="#">Management and targets</a>	Elisa Corporation x
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">Management and targets</a>	Elisa Corporation x
102-21	Consulting stakeholders on economic, environmental, and social topics	Key topics and stakeholders; Customer interaction and customer communications; <a href="#">Management and targets</a>	Elisa Corporation x

Content	Name	Boundary	UN Global Compact	
102-22	Composition of the highest governance body and its committees	Governance structure	Elisa Corporation	x
102-23	Chair of the highest governance body	Governance structure	Elisa Corporation	x
102-24	Nominating and selecting the highest governance body	Governance structure	Elisa Corporation	x
102-25	Conflicts of interest	Governance structure	Elisa Corporation	x
102-26	Role of highest governance body in setting purpose, values, and strategy	Charter of the Board of Directors	Elisa Corporation	x
102-28	Evaluating the highest governance body's performance	Governance structure	Elisa Corporation	x
102-29	Identifying and managing economic, environmental, and social impacts	Governance structure	Elisa Corporation	x
102-30	Effectiveness of risk management processes	III Descriptions of internal control procedures and main features of risk management systems.	Elisa Corporation	x
102-31	Review of economic, environmental, and social topics	Key topics and stakeholders	Elisa Corporation	x
102-32	Highest governance body's role in sustainability reporting	Signatures to the corporate responsibility and non-financial report	Elisa Corporation	x
102-33	Communicating critical concerns	Internal auditing	Elisa Corporation	x
102-35	Remuneration policies	Remuneration statement	Elisa Corporation	x
102-36	Process for determining remuneration	Remuneration statement	Elisa Corporation	x
102-37	Stakeholders' involvement in remuneration	Remuneration statement	Elisa Corporation	x
<b>5. Stakeholder Engagement</b>				
102-40	List of stakeholder groups	Stakeholder dialogue; Key topics and stakeholders	Elisa Corporation	x
102-41	Collective bargaining agreements	GRI indicators	Elisa Corporation	x
102-42	Identifying and selecting stakeholders	Key topics and stakeholders	Elisa Corporation	x
102-43	Approach to stakeholder engagement	<a href="#">Stakeholder dialogue</a> ; Customer interaction and customer communications	Elisa Corporation	x
102-44	Key topics and concerns raised	Key topics and stakeholders; Customer interaction and customer communications; Partners	Elisa Corporation	x
<b>6. Reporting Practice</b>				
102-45	Entities included in the consolidated financial statements	Description of the report	Elisa Corporation	
102-46	Defining report content and topic Boundaries	<a href="#">Foundation</a> ; Description of the report	Elisa Corporation	
102-47	List of material topics	Key topics and stakeholders; GRI index	Elisa Corporation	
102-48	Restatements of information	Description of the report	Elisa Corporation	
102-49	Changes in reporting	Description of the report	Elisa Corporation	
102-50	Reporting period	Description of the report	Elisa Corporation	x
102-51	Date of most recent report	Description of the report	Elisa Corporation	x
102-52	Reporting cycle	Description of the report	Elisa Corporation	x
102-53	Contact point for questions regarding the report	Reporting and contact information	Elisa Corporation	x
102-54	Claims of reporting in accordance with the GRI Standards	Description of the report	Elisa Corporation	x
102-55	GRI content index	GRI index	Elisa Corporation	x
102-56	External assurance	Description of the report ; GRI index	Elisa Corporation	x

Content	Name	Boundary	UN Global Compact
<b>TOPIC SPECIFIC CONTENT</b>			
<b>GRI 103: MANAGEMENT APPROACH (GRI 103, 2016 standard)</b>			
103-1	Explanation of the material topic and its Boundary	Key topics and stakeholders; Description of the report; GRI index	Elisa Corporation
103-2; 103-3	Indirect economic impacts, DMA	<a href="#">Foundation</a> : Financial responsibility; Research and development;Elisa Corporation Management and targets	x
	Indirect economic impacts, DMA	<a href="#">Foundation</a> : Environmental responsibility ; Management and targets	Elisa Corporation
	Energy, DMA	<a href="#">Foundation</a> : Environmental responsibility; Management and targets	Elisa Corporation
	Emissions, DMA	<a href="#">Foundation</a> : Environmental responsibility; Management and targets	Elisa Corporation
	Products and services, DMA	<a href="#">Foundation</a> : Environmental responsibility ; Management and targets	Elisa Corporation
	Effluents and waste, DMA	<a href="#">Foundation</a> : Environmental responsibility ; Management and targets	Elisa Finland
	Compliance, DMA	<a href="#">Foundation</a> : Responsibility at Elisa, <a href="#">Code of Conduct</a>	Elisa Corporation
	Marketing Communications , DMA	<a href="#">Foundation</a> : Customer interaction and communication ; Ease of use; Management and targets	Elisa Corporation
	Customer privacy, DMA	<a href="#">Foundation</a> : Digital responsibility; Data security and privacy; Management and targets	Elisa Corporation
	Customer Health and Safety , DMA	<a href="#">Foundation</a> : Functional network and services	Elisa Corporation
	Employment, DMA	<a href="#">Foundation</a> : Responsible employer; Management and targets	Elisa Corporation
	Diversity and Equal Opportunity , DMA	<a href="#">Foundation</a> : Responsible employer; Management and targets	Elisa Corporation
	Occupational Health and Safety , DMA	<a href="#">Foundation</a> : Personnel review; Management and targets	Elisa Corporation
	Training and Education , DMA	<a href="#">Foundation</a> : Personnel review; Management and targets	Elisa Corporation
	Non-discrimination , DMA	<a href="#">Foundation</a> : Responsible employer; <a href="#">Code of conduct</a> ; Management and targets	Elisa Corporation
	Security Practices, DMA	<a href="#">Foundation</a> : Data security and privacy; Management and targets	Elisa Corporation
	DMA, Anti-corruption	<a href="#">Foundation</a> : Partners; <a href="#">Code of conduct</a> ; Management and targets	Elisa Corporation
	Public Policy, DMA	<a href="#">Foundation</a> : Stakeholder dialogue; <a href="#">Code of conduct</a>	Elisa Corporation
<b>GRI 201: ECONOMIC PERFORMANCE (GRI 201, 2016 standard)</b>			
201-1	Direct economic value generated and distributed	GRI indicators	Elisa Corporation
201-2	Financial implications and other risks and opportunities due to climate change	GRI indicators	Elisa Corporation
<b>GRI 203: INDIRECT ECONOMIC IMPACTS (GRI 203, 2016 standard)</b>			
203-1	Infrastructure investments and services supported	GRI indicators	Elisa Corporation
203-2	Significant indirect economic impacts	Research and development; Responsible employer; Networks	Elisa Corporation

Content	Name	Boundary	UN Global Compact
<b>GRI 205: ANTI-CORRUPTION (GRI 205, 2016 standard)</b>			
205-2	Communication and training about anti-corruption policies and procedures	GRI indicators	Elisa Corporation x
205-3	Confirmed incidents of corruption and actions taken	GRI indicators	Elisa Corporation x
<b>GRI 302: ENERGY (GRI 302, 2016 standard)</b>			
302-1	Energy consumption within the organization	GRI indicators	Elisa Corporation x
302-3	Energy intensity	GRI indicators	Elisa Corporation x
302-4	Reduction of energy consumption	GRI indicators	Elisa Corporation x
302-5	Reductions in energy requirements of products and services	GRI indicators	Elisa Corporation x
<b>GRI 305: EMISSIONS (GRI 305, 2016 standard)</b>			
305-1	Direct (Scope 1) GHG emissions	GRI indicators	Elisa Corporation x
305-2	Energy indirect (Scope 2) GHG emissions	GRI indicators	Elisa Corporation x
305-3	Other indirect (Scope 3) GHG emissions	GRI indicators	Elisa Corporation, A more detailed description at the context of the indicator x
305-5	Reduction of GHG emissions	GRI indicators	Elisa Corporation x
<b>GRI 306: EFFLUENTS AND WASTE (GRI 306, 2016 standard)</b>			
306-2	Waste by type and disposal method	GRI indicators	Elisa Finland x
306-3	Significant spills	GRI indicators	Elisa Finland x
<b>GRI 307: ENVIRONMENTAL COMPLIANCE (GRI 307, 2016 standard)</b>			
307-1	Non-compliance with environmental laws and regulations	GRI indicators	Elisa Corporation x
<b>GRI 401: EMPLOYMENT (GRI 401, 2016 standard)</b>			
401-1	New employee hires and employee turnover	GRI indicators	Elisa Corporation x
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	GRI indicators	Elisa Corporation
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY (GRI 403, 2016 standard)</b>			
403-1	Workers representation in formal joint management-worker health and safety committees	GRI indicators	Elisa Corporation
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	GRI indicators	Elisa Corporation, excluded Elisa Videra Italy, Elisa Videra UK, LNS kommunikation, Santa Monica Networks Oy

Content	Name	Boundary	UN Global Compact
<b>GRI 404: TRAINING AND EDUCATION (GRI 404, 2016 standard)</b>			
404-1	Average hours of training per year per employee	GRI indicators	Elisa Corporation x
404-2	Programs for upgrading employee skills and transition assistance programs	Personnel review	Elisa Corporation, excluded Enia, Hong Kong ja LNR kommunikations Oy
404-3	Percentage of employees receiving regular performance and career development reviews	GRI indicators	Elisa Corporation x
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (GRI 405, 2016 standard)</b>			
405-1	Diversity of governance bodies and employees	GRI indicators	Elisa Corporation x
<b>GRI 406: NON-DISCRIMINATION (GRI 406, 2016 standard)</b>			
406-1	Incidents of discrimination and corrective actions taken	GRI indicators	Elisa Corporation x
<b>GRI 410: SECURITY PRACTICES (GRI 410, 2016 standard)</b>			
410-1	Security personnel trained in human rights policies or procedures	GRI indicators	Elisa Finland x
<b>GRI 415: PUBLIC POLICY (GRI 415, 2016 standard)</b>			
415-1	Political contributions	GRI indicators	Elisa Corporation x
<b>GRI 416: CUSTOMER HEALTH AND SAFETY (GRI 416, 2016 standard)</b>			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	GRI indicators	Elisa Corporation
<b>GRI 417: MARKETING AND LABELING (GRI 102, 2016 standard)</b>			
417-3	Incidents of non-compliance concerning marketing communications	GRI indicators	Elisa Corporation
<b>GRI 418: CUSTOMER PRIVACY (GRI 418, 2016 standard)</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI indicators	Elisa Corporation

# Economic responsibility indicators

## 201-1 Direct economic value generated and distributed

	2015	2016	2017
Net sales, EUR million <sup>1</sup>	1,578	1,647	1,787
Suppliers and partners	776	802	881
Personnel remuneration	266	275	304
Dividends and interests	238	248	263
Taxes and other public obligations	56	60	65
Capital expenditure investments <sup>2</sup>	196	204	246
Taxes, EUR, million	368	392	408
Corporate tax	56	60	65
Value-added tax	199	207	215
Income tax and withholding tax	87	93	94
Public fees	15	20	19
Other taxes and public fees	11	11	16

<sup>1</sup>Incl. financial income

<sup>2</sup>Capital expenditure investments differs from GRI definition

## 201-2 Financial implications and other risks and opportunities due to climate change

Risk	Description	Impact assesment	Risk management/opportunity
<b>International agreements</b>	The New Paris agreement strive for limit average temperature to 1,5°C and to update national targets every five years to keep raising ambition	Estimated cost for Elisa of carbon pricing is 100,000-200,000 EUR. Estimated implications are less than 1% of operational costs	We have set Science based target, which is in line with Paris agreement´s targets. We use renewable energy so that our customers could use low- carbon connections.
<b>Fuel/energy taxes and regulations</b>	Changes caused either directly or indirectly by climate change in the taxation of electricity, taxation of transmission of electricity and any carbon dioxide tax	Average electricity price in Europe is expected to grow 18% to 2030 compared to 2010 levels mainly due regulation e.g. requirements concerning renewal energy production shares. 12% increase in Elisa´s electricity cost is about 1,1 MEUR (36 EUR/MWh).	Elisa manages the risk with group wide energy/carbon footprint management system. Work is managed by energy efficiency working group. Our customers can act more energy efficient way by using our services. For example based our studies, one virtual server is even 95% energy efficient than physical server.
<b>General environmental regulations</b>	In Finland´s new national Climate change act came into force in 06.01.2015 The law provides for climate policy planning system and monitoring the achievement of climate change goals	It will potentially increase the need for even more detailed measurement and monitoring of energy consumption. This also adds pressures to more ambitious carbon target setting and carbon pricing.	We are constantly working on better measurement and calculations, using renewal energy and we we have set more ambitious middle – and long term target to our carbon footprint. Our customers can reduce their own carbon footprint by using digital services for example our virtual meeting services. Based our calculations one virtual meeting will save 25 kgCO <sub>2</sub> per meeting.
<b>Extreme weather phenomena</b>	Climate change causes extreme weather phenomena that are a threat for Elisa´s mobile networks. Storms cause power failures and interruptions in Elisa´s services.	The increase in the number of disruptions causes higher personnel costs and costs incurred in replacing broken equipment. Estimated costs are based on one actual severe disruption event. Cost may vary from 200,000 to 500,000 EUR, depending on overall circumstances.	Elisa has in place a real-time, comprehensive monitoring system for network disturbances. This enables identification of disturbances and rapid repairs. The demand for real-time measurement and monitoring services will increase in the future.
<b>Changes in average temperature</b>	Rising average temperatures and heat waves will increase the need for cooling in Elisa's telecommunications and data centres and facilities.	Costs will increase due to the increased electricity consumption incurred from investments in cooling devices. We estimate that the implication could be about 1% growth in electricity consumption which equals about 90,000 EUR (36 EUR/MWh).	Elisa has a data centre in Espoo that uses heat loss energy generated by the data centre servers for district heating in the region. We have increased our heat loss energy usage also in our office environments.
<b>Growing environmental awareness of our stakeholders</b>	Climate change increases the environmental awareness of Elisa's stakeholder groups. Reporting to stakeholders is increasing, as are the requirements for climate-friendly operations.	The risk impacts to the demand of Elisa´s services. According to Sustainable Brand Index report 2017 33% of the consumers are willing to pay 10% more for sustainable products and services. If Elisa fails to take advance of that potential, that could result 3,3 % decline in future consumer business revenue (approximately it is 33 MEUR).	Elisa´s services make it possible to build a lower carbon society. Growth in Elisa´s business and may also create new business operations. For example our new Elisa remote measurement service to asthma patients could save CO <sub>2</sub> emissions 12% meanwhile monetary savings compared to old process are 20%.

## 203-1 Development and impact of infrastructure investments and services supported

	2015	2016	2017
Capital expenditure, EUR million <sup>1</sup>	196	204	246
CAPEX/revenue, %	12	13	14

<sup>1</sup> Investments are mainly commercial investments

# Personnel GRI – Key figures

## Own indicator: Mobile works solutions and CO2 savings in Elisa

	2015	2016	2017
Virtual meetings	211,024	227,556	268,586
Distance working days/person/year	75	77	75
Carbon dioxide savings (tCO2)	8,817	5,101	5,606

## PRODUCT RESPONSIBILITY

### 416-2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes

No significant violations in 2017

### 417-3 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes

Elisa received one prohibition verdict from the Market Court about Elisa's marketing.

Elisa has received in some individual cases notifications from the Data Protection Ombudsman concerning its' direct marketing



#### 418-1 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

Elisa has received in some individual cases notifications from the Data Protection Ombudsman concerning customer privacy

### LABOR PRACTICES AND DECENT WORK

#### 102-8 Total Number of Employees by Employment Contract, Employment Type, Region and Gender

	2015	2016	2017
<b>Personnel in total, 31.12.2017</b>	4,545	4,781	5,152
<b>Permanent contract</b>	4,410	4,475	5,008
Finland	3,705	3,838	4,009
Estonia	538	506	888
Other countries	111	131	111
Men	2,790	2,962	3,283
Women	1,564	1,513	1,725
<b>Temporary contract</b>	153	306	144
Finland	83	189	70
Estonia	65	112	71
Other countries	3	5	3
Men	77	192	80
Women	74	114	64
<b>Full- time employees</b>	3,753	3,926	4,291
Finland	3,076	3,236	3,302
Estonia	538	563	888
Other countries	106	127	101
Men	2,387	2,570	2,773
Women	1,333	1,356	1,518
<b>Part-time employees</b>	792	855	861
Finland	130	791	777
Estonia	38	55	80
Other countries	8	9	4
Men	41	584	590
Women	135	271	271

#### 102-41 Percentage of Total Employees Covered by Collective Bargaining Agreements

	2015	2016	2017
	95%	82%	78%

#### 401-1 Total number and rates of new employee hires and employee turnover by age group, gender and region

	2015	2016	2017
<b>New employee hires</b>	1,139	1,224	1,396
Finland	887	922	1,123
Estonia	194	258	232
Other countries	58	44	41
Men	709	815	989
Women	430	409	407
Under 30 years	819	902	843
30-39 years	193	207	415
40-49 years	82	75	98
Over 49 years	45	40	40
<b>Terminated employments</b>	983	1,271	1,433
Finland	786	950	966
Estonia	193	201	400
Other countries	4	120	67
Men	558	807	863
Women	425	464	570
Under 30 years	659	748	832
30-39 years	166	276	316
40-49 years	81	125	164
Over 49 years	77	122	121

<sup>1</sup> Elisa has reported the indicator its own way: Employee turnover is missing.

#### 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

Based on collective agreements our occupational health, insurance, parental leave or pension benefits are not dependent on the duration or part-time nature of employment.

#### 403-1 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

	n/a	97%	98%
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**403-2 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**

	2015	2016	2017
<b>Injury rate (IR)</b>			
<b>Finland</b>			
Commuting injuries	n/a	n/a	8.0
Work time injuries	n/a	n/a	3.9
<b>Estonia</b>			
Commuting injuries	n/a	n/a	0.0
Work time injuries	n/a	n/a	0.0
<b>Other Countries</b>			
Commuting injuries	n/a	n/a	6.3
Work time injuries	n/a	n/a	0.0
<b>Occupational disease rate (ODR)</b>			
Finland	n/a	n/a	0.2
Estonia	n/a	n/a	0.0
Other Countries	n/a	n/a	0.0
<b>Lost day rate (LDR)</b>			
Finland	n/a	n/a	98.1
Estonia	n/a	n/a	0.0
Other Countries	n/a	n/a	0.0
<b>Absentee rate (AR)</b>			
Finland	n/a	3,6%	3.7%
Estonia	n/a	n/a	7.8%
Other Countries	n/a	n/a	0.5%
<b>Commuting injuries</b>			48
Finland	n/a	n/a	47
Estonia	n/a	n/a	0
Other Countries	n/a	n/a	1
<b>Work time injuries</b>			23
Finland	n/a	n/a	23
Estonia	n/a	n/a	0
Other Countries	n/a	n/a	0
<b>Occupational diseases</b>			1
Finland	n/a	n/a	1
Estonia	n/a	n/a	0
Other Countries	n/a	n/a	0

<b>Lost day incidents</b>			72
Finland	n/a	n/a	72
Estonia	n/a	n/a	0
Other Countries	n/a	n/a	0
<b>Absentees, days</b>			50,416
Finland	n/a	n/a	32,055
Estonia	n/a	n/a	18,258
Other Countries			103
<b>Work relate fatalities</b>			0
Finland	n/a	n/a	0
Estonia	n/a	n/a	0
Other Countries	n/a	n/a	0

<sup>1</sup> Reporting covers 98% of the Group's personnel. We will improve our reporting. For more information, see Description Of The Report- chapter.

#### 404-1 Average hours of training per year per employee by gender, and by employee category

	2015	2016	2017
<b>Gender</b>			
Men	8.98	12.83	8.63
Women	10.86	16.38	8.89
<b>Employee category</b>			
Senior management	10.9	15.33	9.18
Middle management	8.8	19.92	15.48
Other employees	11.9	12.63	7.32

#### 404-3 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

	2015	2016	2017
Percentage of employees receiving regular performance and career development reviews	89%	78%	76% <sup>1)</sup>
Men	1,596	2,488	2,282
Women	844	1,223	1,304
Senior management	n/a	169	124
Middle management	n/a	757	754
Other employees	n/a	2,785	2,708

<sup>1</sup> Reporting covers 91% of the Group's personnel. We will improve our reporting. For more information, see Description Of The Report- chapter.

**405-1 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity**

	2015	2016	2017
<b>Elisa's Executive Board</b>	9	9	10
Women	2	2	2
Under 30 years	0	0	0
30-39 years	0	0	0
40-49 years	4	3	3
Over 49 years	5	6	7
<b>Board of Directors</b>	6	7	7
Women	2	3	3
Under 30 years	0	0	0
30-39 years	0	0	0
40-49 years	1	2	1
Over 49 years	5	5	6
<b>Management teams of business units</b>	79	79	75
Women	32	32	27
Under 30 years	1	0	0
30-39 years	10	8	11
40-49 years	43	42	37
Over 49 years	25	29	27
<b>Managerial board for corporate responsibility</b>	10	10	9
Women	4	4	4
Under 30 years	0	0	0
30-39 years	1	1	1
40-49 years	5	6	5
Over 49 years	4	3	3
<b>Breakdown of personnel by gender</b>			
Men	63.6%	66.0%	65.3%
Women	36.4%	34.0%	34.7%
<b>Breakdown of personnel by age</b>			
Under 30 years	25.3%	25.9%	26.3%
30-39 years	33.0%	31.5%	31.3%
40-49 years	24.8%	25.0%	24.8%
Over 49 years	16.9%	17.5%	17.6%

## HUMAN RIGHTS

### 406-1 Total number of incidents of discrimination and corrective actions taken

No incidents in 2017

### 410-1 Percentage of security personnel trained in the organization's human right policies or procedures that are relevant to operations

All security personnel working permanently in Elisa (100%) have conducted statutory training according to Finnish law and in addition they have been trained to Elisa Code of Conduct.

### 205-2 Communication and training on anti-corruption policies and procedures

	2015	2016	2017
Code of conduct - training (share of employees who have conducted training)	n/a	79%	72%

### 205-3 Confirmed incidents of corruption and actions taken

No incidents in 2017

## SOCIETY

### 415-1 Total value of political contributions by country and recipient/beneficiary

We have not made any political contributions in 2017

# Environmental responsibility indicators

## 102-11 Whether and How the Precautionary Approach or Principle is Addressed by the Organization

The precautionary principle has been taken into account in accordance with statutory requirements.

## 302-1 Energy consumption within the organization (GJ, gigajoule)

Direct energy consumption by primary energy source	2015	2016	2017
Usage of diesel and petrol	2,435	2,261	2,174
Usage of oil	3,533	3,435	3,596 <sup>1)</sup>
<b>Total</b>	<b>5,968</b>	<b>5,696</b>	<b>5,770</b>
Purchased renewal energy	0	0	0

<sup>1)</sup> Figure has been revised retrospectively to year 2015

Indirect energy consumption by primary sources	2015	2016	2017
Electricity	920,134	964,550	963,845
Heating	59,361	59,671	53,331
Cooling	16,797	18,021	23,977
<b>Total</b>	<b>996,291</b>	<b>1,042,242</b>	<b>1,041,153</b>
Renewable energy (electricity)	864,180	880,920	901,620

### 302-3 Energy intensity

	2015	2016	2017
Mobile networks electricity consumption of transferred Gigabyte (kWh)	0.7	0.3	0.2

### 302-4 Energy saved due to conservation and efficiency improvements (GJ) <sup>1)</sup>

	2015	2016	2017
Ideal work office spaces (electricity and heating)	39,832	52,286	56,830
Energy efficiency in server environments (electricity)	26,010	37,955	47,421
Reuse of server generated heat (electricity)	16,913	17,950	18,669
Energy efficiency in mobile networks (electricity)	n/a	24,630	23,666
<b>Total</b>	<b>82,754</b>	<b>132,821</b>	<b>146,585</b>

<sup>1)</sup> Additional information and calculation principles for Elisa's environmental responsibility report are available at: <http://corporate.elisa.com/responsibility/environmental-responsibility>

### 302-5 Reduction in energy requirements of product and services (GJ) <sup>1)</sup>

	2015	2016	2017
Transfer to virtual servers (electricity)	85,026	73,975	75,799

<sup>1)</sup> Additional information and calculation principles for Elisa's environmental responsibility report are available at: <http://corporate.elisa.com/responsibility/environmental-responsibility>

### 305-1 ja 305-2 Total direct and indirect greenhouse gas emissions by weight (tCO<sub>2</sub>, )

	2015	2016	2017
Scope 1, Direct greenhouse gas emissions	409	391	409 <sup>2)</sup>
Scope 2, Indirect greenhouse gas emissions, market based	9,071	12,751	4,402
Scope 2, Indirect greenhouse gas emissions, location based	77,071	79,271	71,225

<sup>1)</sup> Additional information for Elisa's environmental responsibility report are available at: <http://corporate.elisa.com/responsibility/environmental-responsibility>

<sup>2)</sup> Figure has been revised retrospectively to year 2015



### 305-3 Other relevant indirect greenhouse gas emissions by weight (tCO<sub>2</sub>, tonnes of carbon dioxide) <sup>1)</sup>

Sources of Scope 3 emissions	2015	2016	2017	Description	Figure includes
Purchased goods and services	86,338	85,195	73,431	Relevant, calculated	Elisa Finland and Elisa Estonia , paper- and e-bills and office paper; Elisa Oyj: purchased products to sell and services
Capital goods	16,872	17,289	35,631	Relevant, calculated	Elisa Finland, Purchased basestations and other network equipments
Fuel-and energy- related activities	5,228	5,787	3,146	Relevant, calculated	Elisa Finland and Elisa Estonia: Emissions of fuel production of electricity used
Upstream transportation and distribution	554	1,456	1,022	Not relevant, calculated	Transportation of goods to Elisa and to our customers
Waste generated in operations	612	868	683	Not relevant, calculated	Elisa Finland waste, Elisa sewage water
Business travel	1,579	1,998	1,201	Relevant, calculated	Elisa
Employee commuting	3,054	2,541	3,186	Relevant, calculated	Elisa
Upstream leased assets,	0	0	0	Not relevant, explanation provided	Consumption in rented sites is calculated in Scope 2
Downstream transportation and distribution	0	0	0	Not relevant, explanation provided	Not relevant, Elisa is not selling transportation services
Processing of sold product	0	0	0	Not relevant, explanation provided	Not relevant, No processing of products
Use of sold product	11,483	13,935	8,211	Relevant calculated	Energy consumption of customer´s devices. Electricity consumption of services is reported in Scope 2.
End-of-life treatment of sold products	672	624	305	Relevant calculated	End of life treatment of Elisa´s sold products
Downstream leased assets	0	0	0	Relevant, calculated	Consumption of leased operators is calculated in Scope 2. We purchase renewal electricity.
Franchises	0	0	0	Not relevant, explanation provided	Not relevant, No franchises
Investment	0	0	0	Not relevant, explanation provided	Not relevant, No significant credit management

<sup>1)</sup> Additional information for Elisa's environmental responsibility report are available at: <http://corporate.elisa.com/responsibility/environmental-responsibility>

### 305-4 GHG emissions intensity

	2015	2016	2017
Scope 1 and 2 emissions per revenue (KgCO <sub>2</sub> /EUR)	0.006	0.008	0.003

### 305-5 Reduction of greenhouse gas emissions<sup>1</sup> (tCO<sub>2</sub>)<sup>1</sup>

	2015	2016	2017
<b>Emission reductions in service production</b>	49,633	118,560	121,067
Ideal work solutions, scope 3	8,817	5,101	5,606
Computer rooms, scope 2	6,075	5,197	6,336
Reuse of products, scope 3	1,496	1,939	1,210
Electronic invoicing, scope 3	914	937	1,121
Emission savings in mobile network, scope 2	32,331	2,756	2,268
Usage of renewable energy, scope 2	n/a	102,630	104,526

<sup>1</sup> Additional information and calculation principles for Elisa's environmental responsibility report are available at: <http://corporate.elisa.com/responsibility/environmental-responsibility>

### 306-2 The overall weight of waste by type and disposal method (tonnes)<sup>1</sup>

	2015	2016	2017
Total waste amount <sup>2</sup>	964	1,339	1,017
Hazardous waste <sup>2</sup>	102	257	177
WEEE (Waste Electrical and Electronic Equipment) <sup>2</sup>	275	397	302
Recycling %	83%	93%	99%
Recovery %	17%	7.2%	0.7%
Landfill %	0%	0.2%	0.0%

<sup>1</sup> Elisa has used its own waste breakdown

<sup>2</sup> Amounts not available for Elisa Estonia

### 306-3 Total number and volume of significant spills

No spills in 2017

### 307-1 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

No non-compliances in 2017