

Corporate responsibility

2012



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Corporate responsibility

Our vision is to be a thought leader in sustainability in our industry. We strongly believe in IT as an enabler of sustainable development and are proud to support enterprises and society through our innovative IT solutions and services.

Highlights 2012

- Year 2012 was the starting point on our transformation into a more cost-efficient and competitive IT services company, providing full-life cycle IT services to our customers. We launched a new strategy and operating model.
- Our Customer Benefit Index increased from 3.71 to 3.78.
- Our employee satisfaction index increased from 630 to 657.
- In October 2012, for the second consecutive year we were included in the Carbon Disclosure and Carbon Performance Leadership Indexes.
- Implementation of our new Supplier Code started in 2012 and training was held for legal and procurement teams among others.
- In 2012, energy efficiency in data centres improved, as energy consumption per server decreased by 48%.
- Our energy efficient data centre in Espoo managed to reuse 78% of its total energy use and distribute it to local households in Espoo, thereby helping to reduce CO₂e emissions of the district heat produced in Espoo by more than 900 tons in 2012.
- To address the growing interest in sustainability, we extended our cooperation with SAP® by launching new services in support of SAP sustainability solutions.

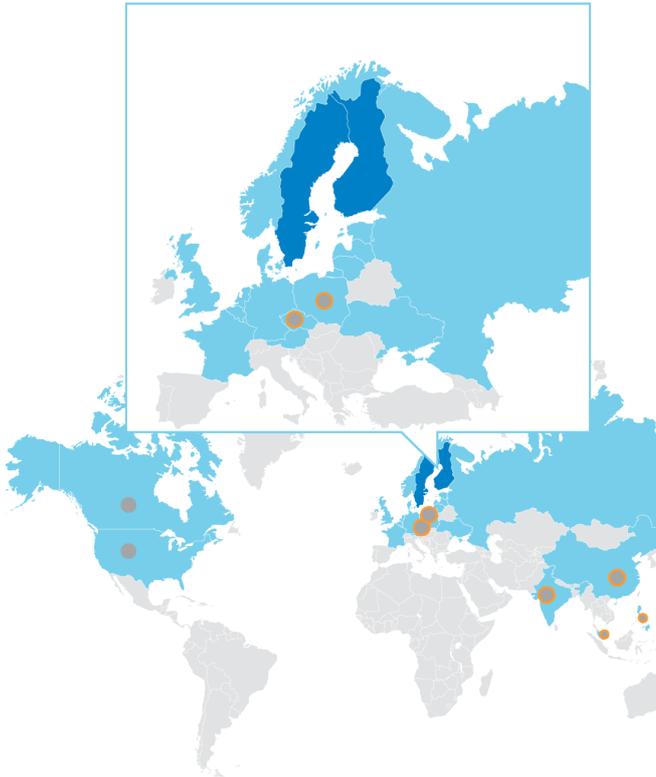
This is Tieto

We are a Nordic IT services company providing full life-cycle IT services for enterprises as well as the public sector. The company focuses on the Nordic market for IT services business while Product Engineering Services has a global customer base. Global delivery centres spread across Europe and Asia play a key role in service deliveries.

We are committed to develop enterprises and society through IT by realizing new opportunities in our customers' business transformation. At Tieto, we believe in professional development and results.

We have operations in 23 countries, with the Nordic countries as its main market based on our strong position in Finland and Sweden.

Other market areas are profiled as the New Markets. Our major delivery centers, with approximately or more than 1 000 employees, are located in Czech Republic, Poland, India and China.



To serve our customers the best and provide a simplified interface to full life-cycle IT services, we are organized across Industry Groups and Service Lines as of 1 January 2013:

The Industry Groups are:

- Financial Services
- Manufacturing, Retail and Logistics
- Public, Healthcare and Welfare
- Telecom, Media and Energy

Horizontally, there are three Service Lines:

- Industry Products
- Consulting and System Integration (CSI)
- Managed Services

Product Engineering Services (PES) business is serving customers globally with design, development and maintenance of software.

Facts and figures

31 Dec 2012

Full name: Tieto Corporation

Company founded in 1968

Headquarters in Helsinki, Finland

Number of employees: 16 537

Listed on NASDAQ OMX in Helsinki and Stockholm

Net sales: EUR 1 825 million

Total capitalization of equity: EUR 1 078 million

Total capitalization of liabilities: EUR 629 million

Our approach

We at Tieto are convinced that our long-term success as a company requires a business model that takes into account all aspects of corporate responsibility (CR) as a natural part of our daily business operation.

In line with our CR strategy, we support the leading global sustainability principles and comply with the requirements of many non-governmental organisations (NGOs) and industry standards. These initiatives guide us in our daily work.

- We are a signatory of the UN Global Compact principles for environmental care, human rights, worker's rights and anticorruption.
- We comply with the OECD Guidelines for Multinational Enterprises.
- We are an organisational stakeholder of Global Reporting Initiative (GRI) and want to play an active role in developing CR in society and to be a thought leader in our industry. Every year, we publish an externally audited CR Report based on GRI's framework for sustainability reporting.
- To reduce the environmental impact of our operations we are a participant in the WWF Green Office programme.
- We are a member of three sustainability indices: the Ethibel Sustainability Index (ESI), Kempen SNS Smaller Europe Socially Responsible Investment (SRI) Index and OMX GES Sustainability Finland Index.
- In 2012, we were classified Prime C+ in the Oekom Research Corporate Rating of companies' sustainability performance, which ranks us among the leaders in our industry.
- In October 2012, for the second consecutive year we were included in the Carbon Disclosure Leadership Index (CDLI) and Carbon Performance Leadership Index (CPLI), which make us one of the leading IT services providers globally in terms of carbon disclosure and understanding of the risks and opportunities presented by climate change.

As a result of our sustainability performance, we are included in several sustainability indices and ratings and have also been awarded internationally.



CR strategy

Our corporate responsibility (CR) strategy is to integrate sustainable working methods into our whole value chain, and to benefit from the business opportunities in sustainable IT solutions and services.

Together with our stakeholders, we have identified the main CR topics to be addressed based on the impact from our operations internally and externally.

Our biggest contribution to sustainable development comes from our IT products and services, helping to transform enterprises and organizations as well as society. We see innovative IT services as a key driver for sustainable development and are proud to contribute through our full life-cycle IT solutions and our product development services. In addition to streamlining processes and working practises, IT helps to increase transparency and wellbeing in society and contributes to reducing greenhouse gas emissions, to mention only a few areas. Since 2010, we have measured the impact on customers' CO₂e from our digital transaction services and other services replacing paper. Based on our calculations, these services alone reduced customers' CO₂e by 176 945 tons in 2012.

Many of the IT services we provide support business-critical processes and socially critical functions, making quality in service deliveries a key aspect of our responsibility as a corporate citizen. Our quality work embraces the whole company and consists of developing key processes and management systems as well as ensuring ISO certifications of operations and adjustment of specific services or solutions to industry standards and frameworks. As a result of our continuing efforts, customer satisfaction increased in 2012 for the second consecutive year.

Shortage of engaged and skilled resources could pose a risk related to increased costs, problems in project deliveries and delays in

development of new offerings. Our aim is to attract and retain talent by providing career opportunities and working conditions exceeding those of our competitors, thus becoming the employer of choice. We are particularly pleased to see the increase in our employee satisfaction index in 2012, bearing in mind last year's restructuring activities.

While the IT industry is part of the solution to climate change, it indirectly contributes to CO₂e emissions through, for instance, energy consumption in large data centres. Our environmental impact is derived from energy consumption in our operations, and from employee travel. To reduce energy consumption in data centres, all of our new-generation data centres are equipped with energy-efficient technology, such as virtual servers and smart cooling solutions. Our data centre, located in Espoo, Finland, also recycles excess heat from servers and distributes it to local households through the district heating network - an excellent example of innovation supporting sustainable development in society, and one for which we have been awarded and recognized internationally.

In 2012, CO₂e emissions from our operations increased by 10% compared to the previous year, mainly due to increased energy consumption. As IT usage in society is increasing steadily, creating more demand for data centre services among others, we expect energy consumption to remain a material sustainability issue to us during the coming years, and we will continue investing in energy-efficient solutions in our operations.

Strategic corporate responsibility goals and achievements

Goal	Achievements	KPI			Trend 2011-2012
		2010	2011	2012	
Environmental (3-5 years)					
Annual reduction of total CO2 emissions caused by our activities	Total CO2 emissions (tons)	52 646	45 582	50 223	●
	Total CO2 emissions/employee (tons)	2.83	2.41	2.86	●
Significantly increase Green IT offerings to key customers and help customers reduce their CO2	Customer CO2 savings (tons)	162 705	168 481	176 945	●
Social (3-5 years)					
Employee satisfaction index of 650 (scale 1-1000)	Employee satisfaction index	627	630	657	●
Training hours/employee of 40-80 on average in all countries	Training hours/employee	68	76	88	●
Economic (2012-2016)					
EBIT margin of 10%	EBIT margin	4.2 %	5.4 %	3.5 %	●
EPS growth of over 15% (CAGR) as a long-term incentive target during the strategy period 2012-2016	EPS growth	-10%	22%	-49%	●
Minimum dividend payout of 50% of net results	Dividend payout ratio	101%	89%	202%	●
Net debt/EBITDA ratio of less than 1.5	Net debt/EBITDA	30%	40%	20%	●
Quality (2012-2016)					
Customer benefit index of 4.0 (scale 1-5)	Customer benefit index	3.26	3.71	3.76	●

Naturally, corruption risks are monitored throughout the group, as they represent one of the biggest challenges in the international community. Despite our zero tolerance for unethical behaviour and our active work to eliminate this risk, we encountered one incident of corruption in 2012. Our efforts to prevent similar incidents from occurring will continue in 2013 through continued internal training of employees amongst other initiatives.

Once a year, the financial implications of climate change (both opportunities and risks) are reviewed by our senior management. In 2012, due to the restructuring activities within Tieto it was deemed as more efficient to plan the assessment in 2013. The development of our products and services are continuously reviewed from an environmental risk and energy optimizing perspective as in accordance with a precautionary approach. Our internal control

framework supports the execution of the group's CR strategy and ensures regulatory compliance. The foundation for internal control is set by internal control, risk management and governance policies as well as our values and Code of Conduct. A full description of our overall risk management framework is available at www.tieto.com.

Our overall vision is to be a thought leader in sustainability in our industry. In addition to supporting customers with innovative IT solutions, and managing our own operations in a responsible way, we participate in national and international conferences, standardization work and projects, e.g. the Carbon Disclosure Project. Since 2010, we are an organizational stakeholder in GRI (Global Reporting Initiative) and one of the hosts for the Nordic GRI Network. During 2012, we co-arranged one network meeting in Stockholm and were also engaged in developing the updated GRI guideline, G4.

Materiality analysis

Sustainable IT, customer satisfaction and the quality of our products and services are still regarded as the aspects of sustainability most material to Tieto. Other crucial success factors are our financial performance, business ethics and energy consumption.

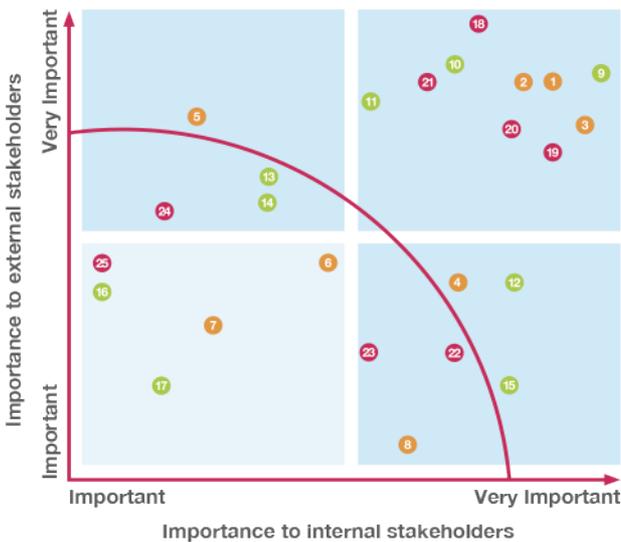
Our materiality analysis was created at the end of 2011 based on internal workshops with our core functions as well as assessments by external stakeholders. In this process, both our key stakeholders and material issues were identified. The most material areas have provided the basis for this report.

During 2012, our internal materiality review process resulted in increasing the importance of two issues: Information security and data privacy (economic aspect); and Greenhouse gas emissions and

climate change (environmental aspect). In addition, the scope of material issues was expanded by adding an arch to include aspects which are very important only to either internal or external stakeholders. This expansion is in accordance with GRI 3.1.

Our aim is to conduct a new materiality analysis in 2013 together with stakeholders.

Materiality results 2012



Economic

- 1 Customer satisfaction
- 2 Quality of products and services
- 3 Financial performance
- 4 Information security and data privacy
- 5 Corporate governance
- 6 (Product) innovation
- 7 Transparency and openness
- 8 Effective / lean business processes

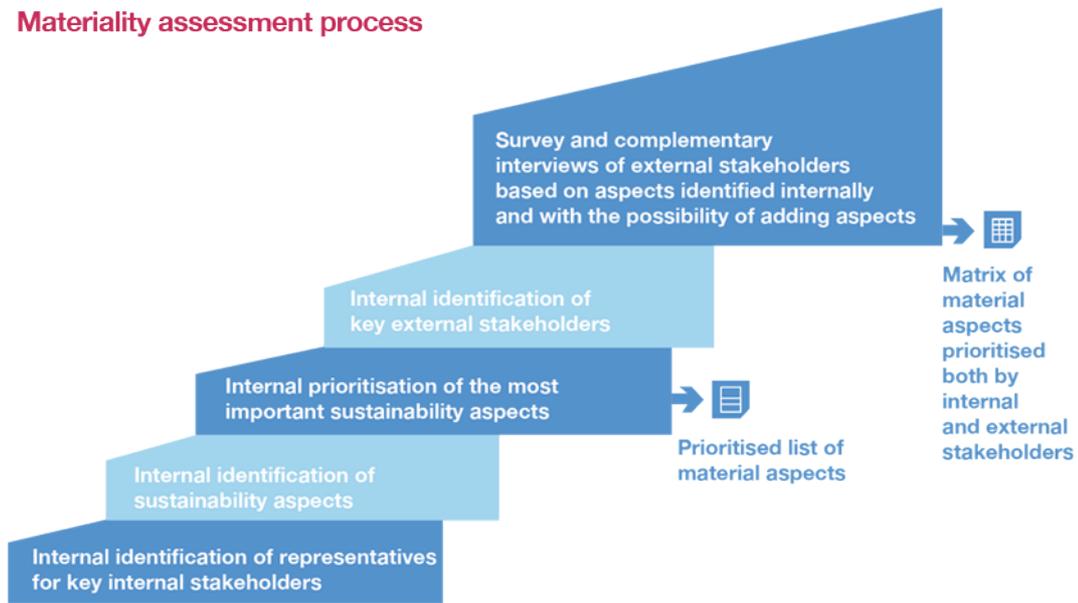
Environmental

- 9 Sustainability offerings (e.g. Green IT)
- 10 Energy consumption
- 11 Procurement and supply chain, environmental requirements
- 12 Environmental management systems and certification
- 13 Waste management, end of life of products
- 14 Driving standardisation and certification (products and services)
- 15 Greenhouse gas emissions, climate change
- 16 Eco-efficiency in numbers
- 17 Use of materials and chemicals

Social

- 18 Business ethics – partner relations, anti-corruption; competition law issues
- 19 Human Rights, diversity and equal opportunities
- 20 Working conditions and work life balance
- 21 Competence development and training, career opportunities
- 22 Employee relations – employee engagement / satisfaction and labour union relations
- 23 Employee health and safety
- 24 Procurement and supply chain, social aspects
- 25 Social engagement – community engagement and charity

Materiality assessment process



Stakeholder dialogue

We want to foster continuous collaboration and dialogue with all our key stakeholders. By interacting in different forums and channels we learn more about their sustainability concerns and their need for information on our sustainability work.

In our internal materiality analysis workshops, including all core functions, we have identified external stakeholders and selected the ones to engage with based on the potential impact we have on the stakeholder and vice versa. Certain types of stakeholder cooperation, such as investor relations, are centralized within the Group's support functions. However, most relations are managed throughout the organization.

2012 was a year of transformation for Tieto, and responsiveness to stakeholder demands was an important part of this process. Our key customers and investors, for instance, were both involved in formulating our new strategy as well as the new operating model. Customers want Tieto to be a proactive partner and to support them in their change management. New technologies and ways of working, for example cloud computing, are also important topics to our

customers. From employee perspective, we have recognized the need for a good and innovative workplace. Both customers and investors also expressed an increased interest in specific corporate responsibility (CR) issues. More and more of customer requests are coming through their supplier codes follow-up. Investors, in turn, demand openness and transparency in CR issues as a general trend.

Our aim is not only to meet stakeholder requirements, but also to set a higher standard in CR for IT suppliers in general. We will also work towards providing investors with more timely and transparent information about our CR performance and goals. The feedback from stakeholders in 2012 will be taken into account in our next materiality analysis, which is planned for this year, 2013.

Stakeholder dialogue 2012

Stakeholders	Key issues identified	Interaction	Frequency of interaction	Actions regarding issues raised by stakeholders
Employees	<ul style="list-style-type: none"> • Career opportunities • Continuous competence and personal development • Job satisfaction • Healthy working environment • Equal and fair treatment • Intranet and other social media tools 	<ul style="list-style-type: none"> • Development discussions • Development discussions • VOICE, employee satisfaction survey • Occupational healthcare • Employee representative/unions • Available and open for all employees 	<ul style="list-style-type: none"> • 1-2 per year • 1-2 per year, on going dialogue throughout the year • Annually • Based on needs, ongoing representatives • Continuous • Continuous 	<ul style="list-style-type: none"> • Job rotation, support, training, career development, project assignments • Sports and leisure clubs
Customers	<ul style="list-style-type: none"> • Reliable and efficient services and deliveries with promised quality • Cost-effectiveness and proactiveness • Corporate responsibility 	<ul style="list-style-type: none"> • Joint planning and co-innovation • Customer experience measurement (CEM) • Governance models and operative activities • Materiality analyses (MA) 	<ul style="list-style-type: none"> • Strategic CEM measurement annually • Tactical CEM quarterly • Operational CEM monthly • Operative activities on continuous basis including governance • Formal materiality analysis every 2-3 years, other communication annually and based on needs 	<ul style="list-style-type: none"> • Adaptation and collaboration in service/product development • Planning and strategy discussions • Offering development based on customer needs, e.g. cloud and enterprise mobility. • Issues identified are handled as material topics and addressed in our CR work and offering development

Investors and shareholders	<ul style="list-style-type: none"> • Transparent and honest communications • Accurate, up-to-date information 	<ul style="list-style-type: none"> • Shareholder meetings (AGMs) • Capital Market Day (CMD) • Road shows and investor and analyst meetings • Materiality analyses (MA) 	<ul style="list-style-type: none"> • AGM and CMD annually • Meetings and other investor collaboration on a continuous basis • Every 2-3 year, or based on needs 	<ul style="list-style-type: none"> • Increased investor information on the web including corporate responsibility • Issues identified are handled as material topics and addressed in our CR work.
Suppliers and partners	<ul style="list-style-type: none"> • Solid business ethics • Aligned practices and targets • Mutually beneficial relationships and business activities 	<ul style="list-style-type: none"> • Alliance programme • Governance models • Supplier audits • Materiality analyses (MA) 	<ul style="list-style-type: none"> • Annual, quarterly and continuous basis • Every 2-3 year, or based on needs 	<ul style="list-style-type: none"> • Collaboration in service/ product development and business models. • Planning and strategy discussions. • Issues identified are handled as material topics and addressed in our CR work.
Students and potential employees	<ul style="list-style-type: none"> • Collaboration and job opportunities • Joint projects • Internships • Corporate responsibility 	<ul style="list-style-type: none"> • Career days • Student fairs • Development projects • Research collaboration 	<ul style="list-style-type: none"> • Career days and student fairs a few times a year. • Generation T trainee programme annually in selected focus countries. 	<ul style="list-style-type: none"> • Theses work, seminars and lectures, internships and recruitment.

Managing CR

To manage our corporate responsibility (CR) work efficiently, we have created an internal framework with policies, processes and management systems. The work is led by our CR steering group.

Our steering group prepares and creates recommendations, goals and policies in the sustainability area. It also coordinates monitors and provides advice to Tieto Leadership Team, the President and CEO and the Board of Directors on CR related issues. The

Leadership Team approves the goals in cooperation the Board of Directors. Daily CR operations are run by the Corporate Communications, Investor Relations and Corporate Responsibility function.

Tieto corporate responsibility steering group, on 31 Dec 2012:



* Carl-Harald Andersson, former Senior Vice President, Corporate Responsibility, left Tieto in autumn 2012 to take on new challenges outside the company. He was succeeded by Pellervo Hämäläinen, Vice President, Communications, IR and CR. In connection with this the responsibility for CR in Tieto was transferred from our Strategy unit to Communications & Investor Relations.

CR policies and management systems

Our Code of Conduct, which was initially launched in 2005, is based on the UN Global Compact principles and serves as the guiding principle for both employees and other Tieto stakeholders. It defines human rights and our workplace practices regarding non-discrimination, equal opportunities and a safe working environment, as well as corporate practices regarding safeguarding corporate assets, conflicts of interest, gifts and bribes, political involvement, etc.

The signing of our Code of Conduct is integrated into the orientation routines for new employees, but also asked of existing employees who haven't already signed the code. By the end of 2012, approximately 92 % of employees had signed the Code of Conduct. 90% percent of employees signed it through our Code of Conduct e-learning course. To ensure alignment with the principles of the UN Global Compact initiative, the Code of Conduct is periodically reviewed and updated.

To facilitate the selection of and cooperation with suppliers and partners we launched a separate Supplier Code at the beginning of 2012. It is based on the UN Global Compact principles and also demands an Environmental Management System (EMS) in line with the ISO 14001 standard.

The other CR policies are the Human Resources (HR) Policy, HR Privacy Policy, Occupational Health and Safety Policy, Environmental Policy, Anti-Corruption Policy and Competition Law Compliance Policy.

Our overall business system, Way to Excellence (W2E), is a repository of processes available for all employees. It's based on best practices gained across a forty year period and harmonises our way of working. We also have a group-wide ISO 14001 compliant EMS system as well as other management systems to facilitate the CR work in our day-to-day business. Many of our business units are externally certified according to international standards for management systems.

Monitoring and follow-up

Our CR function owns and coordinates the Code of Conduct as well as all other CR-related policies except the HR Policy and Occupational Health and Safety Policy, which are both developed, implemented and followed-up by our HR organization.

All managers are responsible for ensuring that the content and the spirit of our Code of Conduct and CR policies are communicated, understood and acted upon within their respective organisations. Violations of the Code of Conduct can be reported anonymously and in confidence to the General Counsel of the company. Persons reporting violations in good faith will naturally not be subject to any retaliation. However, failure to act in compliance with the Code of Conduct can result in appropriate disciplinary actions.

For us, sustainability concerns all Tieto employees. In addition to signing the Code of Conduct, employees are also expected to proactively embrace the business opportunities that smart and green IT systems can bring to our customers.

Corporate governance

Tieto is committed to good corporate governance and a culture of business integrity and accountability. Below we outline the governance-related issues that are key for corporate responsibility (CR) reporting.

The Finnish Corporate Governance Code, Code of Conduct and Charter of the Board and its Committees provide the framework for Tieto's governance activities.

AGM and the Board

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

The Shareholders' Nomination Board (SNB) prepares a proposal on the composition and remuneration of the Board of Directors to be presented to the AGM. In its work, the SNB takes into account, inter alia, the expertise requirements determined in the Finnish Corporate Governance Code and the SNB's written charter. The Board of Directors is accountable for guiding the organisation's strategy on economic, environmental and social topics. Board members are elected by the AGM based on this proposal as well as individual proposals from company shareholders. In addition, Tieto's personnel elect two members and two deputy members to the Board of Directors. This is done by personnel representatives in accordance with the Personnel Representation Cooperation Agreement.

Board members have a term of office of one year. Board members shall be professionally competent, and as a group, have sufficient knowledge of and competence, inter alia, in the company's field of business and markets. The performance of the Board is assessed annually: the latest assessment was carried out as a self-assessment in late 2012. Assessments review the Board's knowledge of the company's operations and management as well as its understanding of business conduct. Additionally, the effectiveness of the Board's work is evaluated.

The main duties and working principles of the Board are defined in the written Working Orders. In addition, there is an annual action plan. Among other things Tieto's Board approves the company's values, strategy and organizational structure, addresses the major

risks and their management, and reviews and approves the company's key policies. At least once a year, the Board assesses and discusses Tieto's CR performance and CR-related issues. More detailed information on the tasks of the Board can be found at www.tieto.com.

All Board members of Tieto are non-executive officers and independent of the company and its significant shareholders. The independence of the members is evaluated at the Board's constitutive meeting. The Board members shall inform the Board if any changes in these circumstances occur, in which case their independence will be re-evaluated.

Tieto's operative management consists of a leadership team, where the President and CEO, industry group heads, service line heads and key support functions are represented.

Remuneration of the Board and the Leadership Team

The aim of Tieto's remuneration principles is to attract and retain talent, motivate key people and align the goals of the company's shareholders and executives in order to enhance the value of the company.

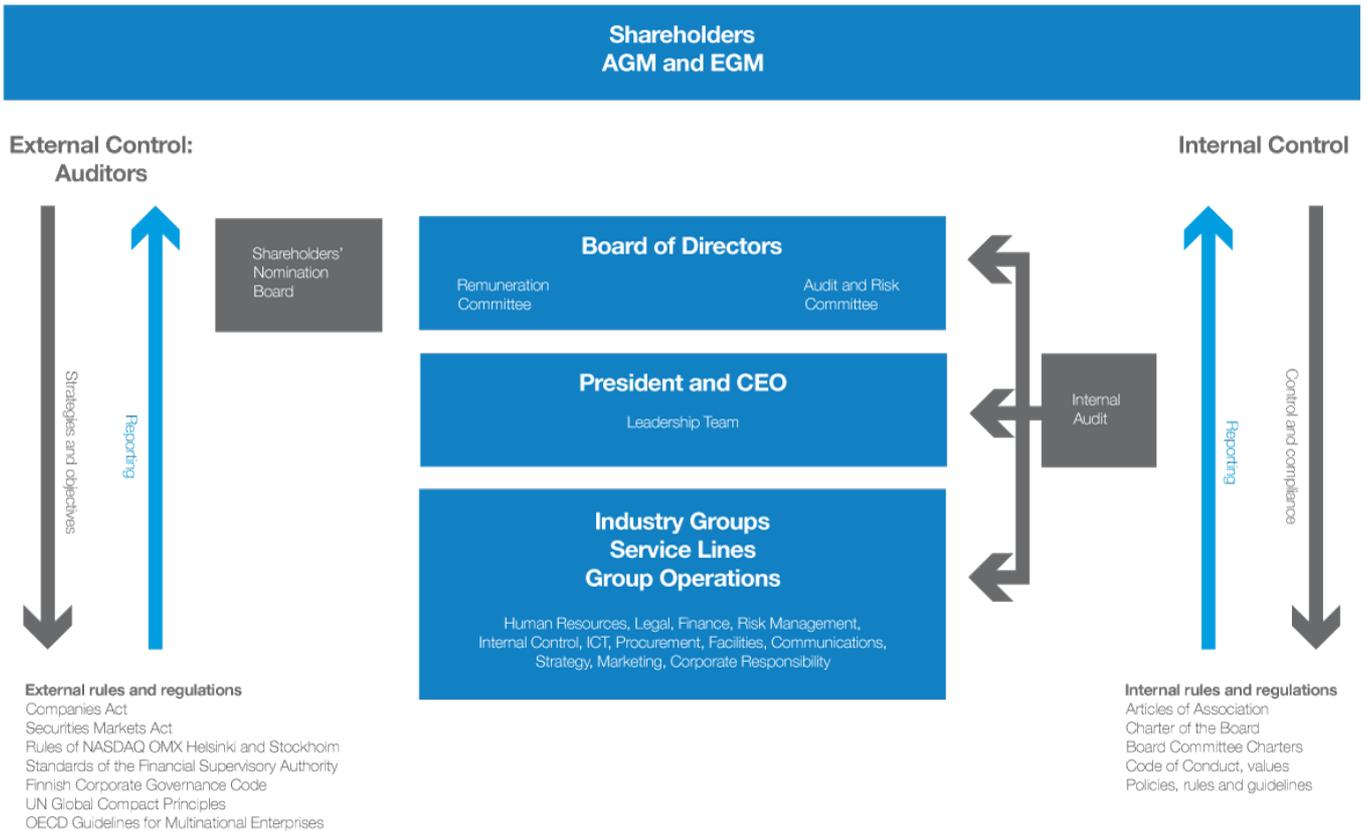
According to the decision of the AGM, the Board members and the Chairman of each Board Committee receive a fixed annual compensation of which forty percent is paid in Tieto shares. In addition, the Board members will be paid remuneration for each Board meeting and for the meetings of all permanent or temporary committee meetings.

Remuneration of the Leadership Team members consists of base salary and benefits as well as short- and long-term incentives. Short-term incentives are based on clear, measurable targets set for the company's financial performance (external revenue and profit) and strategy implementation.

The long-term incentives consist of option or other share-based programmes. Tieto has not established new option plans since 2009. In the share-based programme, Long-Term Incentive Programme 2012 – 2014 which currently covers the Leadership Team members and approximately 140 key employees, the amount of the reward is based on Tieto's financial performance measured by earnings per

share and the development of Tieto's share price relative to peers. The reward of the option holders is dependent on the share price development. A full description of Tieto's remuneration to Leadership Team members is available at www.tieto.com.

Governance at Tieto



Creating value for stakeholders

For us, economic responsibility means striving to ensure that we are profitable while providing value for our stakeholders. We are convinced that our new strategy and operating model will create long-term growth as well as profitability, and thereby raise values for stakeholders.

Economic sustainability is about adding value to and creating wealth for a wider economic system. Our contribution in 2012 is summarized in the graph below. It illustrates the economic impact of our operations on customers, employees, suppliers, governments and

society at large. The Finnish government is present in the shareholder structure by a 10.2% ownership through the holding company Solidium Oy. For a full description of our financial performance, please read our Financial Review 2012.

Direct economic value generated and distributed, EUR million

	2012	2011	2010
Revenues	1 862.1	1 847.0	1 741.8
Operating costs	581.4	613.8	563.2
Employee wages and benefits	1 090.7	1 028.7	1 017.1
Payments to providers of funds	74.4	70.7	66.9
Payments to governments ¹⁾	16.9	19.4	19.6
Community investments	0.1	0.4	0.0
¹⁾ of which			
Finland	7.4	8.3	8.2
Sweden ¹⁾	0.3	0.1	0.5
Norway	3.5	3.5	2.4
Other	5.7	7.5	8.5
	16.9	19.4	19.6

¹⁾ The payments in Sweden are low due to utilization of tax losses carried forward in Sweden

During the past years, several measures have been taken to transform Tieto into a more focused and cost-effective company to meet the increased global competition and price pressure on the market for IT services. In 2012, our strategy was revised and a new operating model was launched. In line with our new strategy, we aim to be the preferred IT transformation partner for private and public sector customers. To support the new strategy, we introduced a new, simplified organizational structure, effective as from the beginning of January 2013.

In connection with the strategy launch, we updated our financial objectives and launched a cost savings programme. We aim to achieve annualized savings of 60 MEUR and subsequently, we had to take the tough decision to lay-off close to 1 400 people during the year. In addition, to create a more focused and synergistic Tieto, we implemented a few divestments during 2012. The financial services

products business in the UK and the unions business in Denmark were divested during the first quarter and the Italian and Spanish businesses during the fourth quarter. During the autumn, we also sold our Belarus subsidiary, which had served as a nearshore development centre.

Our full-year net sales was partly affected by these divestments and remained at the previous year's level, amounting to EUR 1 825.3 (1 828.1) million. The underlying profitability for the full year (EBIT excluding one-off items) improved to EUR 137 million during 2012, corresponding to a 17% improvement from 2011. The profit improvement was partly attributable to lower subcontracting costs. Our operating profit including one-off items amounted to EUR 61 million and was naturally impacted by exceptional restructuring charges and divestment costs. Full-year earnings per share (EPS)

totalled EUR 0.41 (0.84). Earnings per share excluding one-off items amounted to EUR 1.30 (1.07).

During the year, we have also received financial assistance from local governments in some of our operating countries. In Finland, we received EUR 0.7 million from TEKES, the Finnish Funding Agency for Technology and Innovation, for product development purposes. The government of the Czech Republic offered EUR 2.3 million to

support employment and business activities. In Lithuania, we received EU funding for projects related to innovations and prototype creations and for trainings, in total EUR 0.2 million. In China, we received EUR 0.3 million from government as an encouragement for IT service companies. In Poland, we received EUR 0.3 million from Polish Ministry of Economics for R&D investments.

Significant financial assistance received from government, EUR million

Finland	0.7
Czech Republic	2.3
Lithuania	0.2
China	0.3
Poland	0.3
Total	3.8

Supporting social development

In 2012, we donated approximately 0.1 MEUR to NGOs and other organizations with similar aims. Actively supporting people and societies is an important part of our commitment as a corporate citizen.

Mobile Learning Centre

One of our main partnerships is with the Identity Foundation (IF), which provides education for underprivileged street children in India. The systemized decisions regarding where to focus our pro-bono engagement and donations have been based on a community-needs assessment developed in collaboration with IF. We see this as a best practise case which we aim to implement throughout our charitable activities. We also see education as an important enabler of social development. Since 2007, we have been supporting their Mobile Learning and Infotainment Centre (MLIC) programme in Pune, India. The programme's mobile centres take the form of two distinctive yellow buses, equipped with basic tools for education and "infotainment". These are used to support formal education and to make education more accessible. The buses also help transport students to and from school and are used as part of other activities in the community.

In 2011-2012 alone, the MLIC project has reached more than 7 000 underprivileged children, fostering education and giving shelter from the harsh living conditions on the streets of Pune. Of these children, between 25-50% have adopted formal schooling programmes after participating in the MLIC activities. In 2013, MLIC will focus on further ensuring that its activities support, rather than substitute, formal education. The programme will also continue to develop other activities, such as reading classes.

Uplift, providing healthcare through micro-insurance

Uplift India Association (Uplift) is an association of nonprofit organizations who have come together to combine and share technical resources and to build consensus on community-led models for securing social protection for the unorganized. Its member organizations implement micro-credit business development and family development programmes to augment the standard of living of the communities they work with.

The Uplift Health program provides cheap health insurance to people in India who cannot afford medical insurance or medical care.

Besides health insurance, the organization also provides medical advice via telephone to over 130 000 members, helping them receive proper medical care at hospitals and other health organizations. Uplift has even employed its own doctors who provide their services to patients free of charge.

A few years ago, we co-developed and delivered free operating software to Uplift, and during 2012 we helped to maintain and implement enhancements to this software. We also introduced new software which provides Uplift employees information on, for example, the personal data and medical history of their patients. The system is still under development and completion of the first phase should take place by the end of 2013.

Unicef Schools for Africa

In 2012, for the second consecutive year, we dedicated our Christmas gift to employees and customers to Unicef Schools for Africa, which helps some of the most disadvantaged children in the world to get a better chance at education, and thereby the possibility of a better life. Villagers work alongside Unicef to build local schools themselves, later resuming responsibility for their maintenance and day-to-day running. Unicef also strives to help national agencies institutionalize and scale up the Schools for Africa framework. Unicef Schools for Africa is a truly sustainable approach, as local successes can be replicated across the countries in question.

Baltic Sea Action Group (BSAG)

In order to support local environmental initiatives in the Nordics, our main market, we have partnered with BSAG, which is a joint initiative between the Finnish government and several other countries and corporations to save the Baltic Sea from further pollution. As part of our support, we have provided the iReach tool, which includes several functions to help NGOs, including a "give-need list" as well as other tools for communication. The tool was piloted by BSAG in 2011 and rollout is planned for spring 2013. In the next phase of rollout, further improvements to the tool will be implemented.

Business ethics

For us, business ethics mean safeguarding sound business practices in line with the values outlined in our Code of Conduct. We have a zero tolerance to unethical behavior and actively work to implement our Code of Conduct and Anti-Corruption Policy throughout our operations.

According to Transparency International's 2012 Corruption Perceptions Index around two-thirds of the 176 participating countries scored below 50 on a scale from 0 (highly corrupt) to 100 (highly clean). This index measures the perceived levels of public sector corruption. The large number of countries with low scores demonstrates that corruption is still a major problem to be addressed by society as well as the business sector.

China, India, Russia and Belarus are some of the countries, which are considered highly corrupt according to Transparency International's Corruption Perceptions Index. We have operations in the first three of these countries while our Belarus subsidiary, which served as a nearshore development centre, was divested in November 2012.

Management of anti-corruption

Regardless of country, Tieto as a company, including our Board of Directors and top management, has a zero tolerance for corrupt and unethical behavior and we strive to implement our Code of Conduct and Anti-Corruption Policy throughout our operations. The Anti-Corruption Policy enlarges upon the corruption sections in the Code of Conduct and was launched at the end of 2011. Roll-out for our staff started in 2012 through an e-learning, which is mandatory for all employees, 12% of whom had taken it by the end of 2012. During 2013, implementation will continue through reinforced internal communication and more frequent follow-up on the e-learning. Responsibility for the Anti-Corruption Policy lies with the Head of Corporate Responsibility (CR). Managers are responsible for implementing the policy and e-learning in business operations.

Our approach to unethical behavior is also embedded in our proactive monitoring and follow-up processes. Our Risk Management Policy covers strategic, financial, operational, and compliance risks. To improve risk monitoring, including those risks related to corruption, the policy, control system and workflows were revised in 2012. The Risk Management Policy is owned by the Corporate Chief Risk Officer and applies to all Tieto companies and employees in all

countries of operation. To monitor the risk of corruption, we also conduct internal as well as external audits. In 2012, 21 business units in seven different countries, equating to approximately 25% of personnel, were covered by such audits.

Anonymous reporting on any unethical behavior is facilitated through our whistle-blowing process. In 2012, we encountered one corruption incident in Asia that also constituted a Code of Conduct breach. The Board of Directors' Audit and Risk Committee was informed of the suspected misconduct and the issue was also investigated by an independent external auditor. Corrective actions were taken, including dismissal of one person and warnings for the few other employees involved.

In order to prevent further misconducts, we are taking action during 2013 to strengthen company-wide integration of an ethical culture based on our Code of Conduct. In addition to reinforcing internal communication and establishing new practises for monitoring our Code of Conduct and compulsory Anti-Corruption e-learning, we will increase promotion of our whistle-blowing process to make it more visible for employees. Furthermore, we will increase support to business operations in order to raise the overall CR knowledge throughout the company. As part of a total overview and consolidation of Tieto's policies in 2013, we will also review all our CR policies to a more simplified and unified format, including the Anti-Corruption Policy.

Tieto does not take political stances, nor do we give financial or in-kind contributions to political parties or institutions. Our stand on this is clearly regulated in our Code of Conduct and Anti-Corruption Policy. In general, as our business operations are based on the production and delivery of services requiring few authority approvals, we are less exposed to potential corruption compared to operators in many other industries. Additionally, every acquisition and large outsourcing deal is preceded by a thorough due diligence process, mapping out any potentially corrupt behaviour before the deal is closed. Other controls to prevent misconduct and fraud are for

example segregation of duties and rotation of key roles in management and finance.

Management of anti-competitive behavior

Competition between companies supports innovation and ensures goods and services are produced efficiently, with benefits to consumers, including lower prices, improvements in quality and introduction of new services. Without competition, the driving forces behind economic growth and employment would be lost.

Our Competition Law Compliance Policy provides tools for our employees to assess what kind of behaviour may be considered appropriate when interacting with other companies on the market, and to recognize when the advice of our Legal function is needed. The policy is owned by our Head of CR, and implemented with support from our Human Resources and Legal functions.

A competition law compliance e-learning module was launched at the end of 2011. By the end of 2012, 2% of employees had taken this course, which is mandatory for senior management (level 1-3), as well as our sales team and alliance and procurement teams; approximately 600 employees in total. Calculated on this group alone, the completion rate is 60%. During 2013, implementation will continue through increased internal communication and strengthened follow-up of the e-learning.

In 2012, the National Audit Office of Finland conducted an independent audit regarding state aid in Finnish social- and healthcare-oriented IT projects. In its findings, the audit report claimed that some projects had received state subsidies, which may have provided an unjustified competitive advantage to the IT companies involved in the deliveries. Also Tieto's name appeared in the report. We have internally investigated the issues raised but found no irregularities in our conduct.

Sustainable supply chain

As a responsible IT supplier, we set high ethical and environmental standards for ourselves as well as our suppliers. We believe that sharing these standards up and down the value chain, and continuously improving the conditions is the best way to ensure responsibility of end products and services.

Our customers come from various industries and therefore supplier requirements vary from industry to industry. Overall, as IT services are being developed and produced mainly by employees with high education the immediate risk of child labor is low in the first tier of our supply chain, which is related to software. On the other hand, our business operation requires hardware and office equipment as well as buildings in which we reside, which poses a higher risk from the environmental as well as the social responsibility perspective. In addition, we operate in offshore locations such as India and China, which could impose high risks in terms of human and labor rights as well as corruption. Thus, our supply chain related risks span widely from high to very low risk in specific areas.

We have identified 461 suppliers in China and India that may have a significant risk of violation of the right to exercise freedom of association and collective bargaining, as well as a higher risk of child labor, forced and compulsory labor in their operations. Three of these have been audited and minor faults have been amended. Otherwise there were no breaches against international conventions. The screening and audit process in regard to all sustainability areas will continue in 2013.

We comply with the principles set out in the United Nations Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nation's Convention against Corruption. We have been a signatory of the UN Global Compact since 2010.

Our Supplier Code, which was created at the end of 2011 and implemented from 2012 onwards, is based on our Code of Conduct and the Global Compact principles and also requests an environmental management system (EMS) in line with the ISO 14001 standard. Our objective is to have all our suppliers committed to follow the principles of Global Compact and at least 90% of all purchased goods and services (volume measured in money) coming

from suppliers fulfilling the requirement of ISO 14001 or equal standard by the end of 2015.

Our Procurement unit holds a key role in Supplier Code implementation, and discussions about ethical and environmental topics are a regular part of the procurement process. Our Legal and Corporate Responsibility units assist Procurement where necessary. To facilitate the implementation of our Supplier Code internally, our Procurement policy has been updated, stating that the Supplier Code should be implemented in all new supplier contracts.

At the end of 2012, 65% of the supplier contracts signed during the year included the code. Due to the challenges to implement the code in some suppliers, a full-scale implementation will take some time. According to our Supplier Code, we have a right to audit supplier premises, and suppliers who do not fulfil our requirements and do not agree to our code could be turned down. However, we consider shared effort and continuous improvement to be the best way to improve sustainability and ethics in supply chains. During 2013, we will also revisit the implementation practices to see how the coverage of Supplier Code signed contracts can be raised.

Regarding our customers' requirements for us, similar evaluations are being done, and our Legal and Corporate Responsibility (CR) units support in upstream CR issues.

During 2013, we will expand our stakeholder implementation to cover other stakeholders also, such as partners.

Supply chain audits

In 2012, one of our customers conducted a sustainability audit on us and our suppliers. Both our head quarters in Helsinki, Finland and our offshore premises in Pune, India were audited. In addition, three Indian suppliers were audited. Among other responsibility topics, this audit included a human rights screening. This audit did not reveal any unacceptable conditions (con-conformance with significant and

immediate danger) and no cases of child labor in Tieto or in audited suppliers. As a result of this audit, we will perform a health and safety risk assessment. In addition, we will improve communication on our whistleblowing system internally and externally, and further support Asian locations in arranging workers' councils. These improvements will be implemented during 2013.

In regard to the audited suppliers, one case of exceeding the legal limits on overtime was found. The supplier has taken action to eliminate such situations and reports to Tieto on a monthly basis. One suspected case of forced labor turned out not to be such a case. The supplier has improved communications and transparency on the topic. In addition, some minor findings mainly on freedom

of association, CSR risk assessment, health and safety and environmental issues were found. The suppliers are requested to report on progress to Tieto during 2013. Supply chain management and follow-up will be continued and enforced during 2013.

Overall, this audit process proved to be an excellent opportunity to strengthen relationships with our customer and suppliers. The widespread positive effect benefits all of our customers as well as our suppliers' customer network.

CEO's message

Year 2012 was an eventful one. It was a year of structural changes for Tieto. We launched a new strategy, designed a new operating model and began our transformation into a more cost-efficient and competitive IT services company, providing full-life cycle IT services to our customers. Our new business purpose clearly shows the path we have chosen – to develop enterprises and society through IT.

We believe that information technology (IT) can be used as a key driver for sustainable development. Our new Group strategy aims at making Tieto an IT transformation partner to our customers and we will use all our capabilities to support them through our innovative solutions and services. As part of our technology strategy we are increasing our competences and offerings on cloud, mobility, big data and social media – four areas which all support sustainable development.

As a whole, our corporate responsibility (CR) work covers the entire value chain of Tieto and focuses on the areas where we have the biggest impact on stakeholders and the environment. In addition to supporting customers with advanced IT solutions, we continuously work to increase the quality of our solutions and services, keeping in mind the responsibility we have for business and societal critical processes and functions that are relying on our systems and operations. Quality has been one of our main themes during the past years, a commitment which has paid off through increased customer satisfaction in 2012 for the second consecutive year.

Our environmental work is mainly focused on lowering energy consumption in data centres and offices and reducing employee travel. The current objectives include a continuous annual decrease of our total carbon dioxide emissions. In 2012, an increase in data centres operations and temporary overcapacity in offices caused an increase in energy consumption and emissions. To tackle these challenges, but also to prepare for the growing demand for cloud services and data centre services, we will continue investing in energy efficient data centres services. At the end of 2012, we announced a further EUR 10 million investment in our new-generation data centre in Espoo, Finland, which will double its capacity, making it possible to replace old technology with energy-efficient solutions.

As part of the implementation of our revised strategy, we initiated challenging efficiency measures in 2012. As a result, the number of positions in Tieto was reduced by approximately 1 400. The objective

of the restructuring programme was to be more price competitive and ensure vital operations for the future. In addition, a number of non-core business operations were discontinued or divested to improve both geographical and business focus. Despite these tough actions we increased employee satisfaction index in 2012 and are pleased to see the support from employees in building the new Tieto.

As part of our risk management, we encountered one incident of corruption in Asia in 2012 that also constituted a Code of Conduct breach. Corrective actions were taken, including dismissal of one person and warnings for a few other employees involved. We have zero tolerance for any kind of unethical behaviour and have been a signatory of the UN Global Compact since 2010. Our commitment continues in 2013, which clearly shows our values in terms of anticorruption, human rights, worker's rights and environmental care.

During 2012 and beginning of this year, we have noticed an increased interest in CR from customers, coming both from private and public sector. Due to globalization and climate change among other things, this trend is expected to continue. To further strengthen our performance as a corporate citizen, we will revisit our material CR areas and objectives during 2013, and also strengthen integration into our daily operation.

This is our fourth GRI-compliant corporate responsibility report, now in an online format. We hope you will enjoy reading it, and take the opportunity to learn more about how we tackle our challenges and opportunities in sustainable development. As Tieto, we expect to contribute to global CR development significantly in the years to come.

Kimmo Alkio

President and CEO

Sustainable IT

IT can transform the way of working, communicating and living. Online collaboration and communication tools, for instance, promote a better work-life balance, but also serve to lower CO₂e emissions through reduced transportation. Another example is social media, which play an important role in promoting transparency and openness in society.

The cloud is one of the main drivers in today's IT landscape. Enterprises and organizations are increasingly transferring their operations into scalable and flexible cloud environments where payments are based on actual volumes. In addition to increasing cost effectiveness, these solutions provide other benefits such as easy access to data for everyone, irrespective of place and time. The cloud has enabled a paradigm shift in business and will continue to transform the way we design, purchase, manage and deliver IT. Over the last year, we responded to this transformation path by increasing our cloud services portfolio.

On the heels of the cloud has followed another trend; mobility. The increased use of tablets, smart phones and other portable devices connected to networks open up totally new opportunities, for enterprises as well as society.

One illustration of this is our Lifecare solution, which is a package of integrated healthcare and welfare solutions for promoting life-long, seamless care and service chains, and makes home care more effective with the help of mobile solutions. By giving home-care employees mobile access to everything from scheduling and resource planning to handling of keys and documentation in an integrated way, productivity can be increased. Time that was previously spent dealing with administration can be devoted to spending quality time with care recipients and carrying out operational development. This solution also allows on-site reporting, which reduces travelling time to the office, and thus lowers such operations' carbon footprints.

In 2013, it is estimated that the number of mobile phones in society will surpass the number of PC:s as the most common web-access device worldwide¹⁾. With the help of social media, these mobile platforms are highly connected and will give individuals immediate access to a huge pool of knowledge, experience and opinions when making decisions or judgments. Organizations, in turn, can rapidly

infuse new information, insights and intelligence from this external environment, making them more responsive and adaptive to change.

Big data is a technology, which enables IT systems to analyze large quantities of anonymized data, made available through usage of online services and social media. Through these analyses, new research can be undertaken, enabling development of unique applications to solve critical business or social problems. Based on our industry knowledge and business intelligence (BI) offering, we launched a big data service offering portfolio in 2012 for handling and analyzing very large quantities of data. We are also investing in big data technologies and competences.

We are building our competences around all of these trends and have chosen the cloud, mobility, big data and social media as our key technology areas for the coming years. The company technology strategy moving towards 2016 is a key enabler in our long-term journey towards building a position as a forerunning IT service provider and integrator. It is also a framework for developing capabilities and offerings to respond to the market and customer needs.

¹⁾ Gartner's Top 10 technology trends in 2013.

Can IT tackle climate change?

While ICT's own footprint is projected to rise to 1.27 GtCO₂e by 2020, its abatement potential is seven times higher. This reduction potential, identified in Global e-Sustainability Initiative's SMARTer 2020 report, is equal to 16.5% total BAU emissions 2020.

Smarter logistics chains are one area in which IT can make a difference in promoting environmental care. Other ways to mitigate climate change through IT include replacing business travelling with online collaboration and communication tools. According to our

calculations, by implementing more efficient IT systems the emissions arising from transportation can potentially be reduced by up to a fifth. This would translate into a 2.1% reduction in the CO₂e emissions arising from transportation globally. This can be compared to the aviation industry, which accounts for approximately 1.7% of global emissions.

Electronic transactions and other Tieto services replacing paper mail

	Sum of Transactions (million pcs)	Sum of CO ₂ savings (tCO ₂)
Ahjo - Helsinki paperless decision making	6.0	49.8
B2B e-transaction replacing paper	220.9	75 986.7
Bank contract change or product opening	57.8	479.3
Bank marketing campaign material	110.0	37 840.0
Bank secure mail	57.8	19 866.0
Electronic account statement	121.0	42 628.3
Secondary school application	0.1	48.3
Tieto e-invoices	0,1	46.6
Total	573.6	176 945.1

Naturally, we also work to minimize the negative impact of IT. We are one of the front runners in providing environmentally friendly data centre services. Our pioneering data centre in Espoo, Finland, is one concrete example. By re-using excess heat from servers and by distributing it to private homes and offices, we have managed to

Since 2010, we have measured the impact of our own services on CO₂e emissions. In 2012, based on our calculations of our digital transaction services and other identified services replacing paper, we helped reduce 176 945 tons of our customers' CO₂e emissions, around 5% more than the previous year.

reduce CO₂e emissions of the district heat produced in Espoo by more than 900 tons in 2012.

SAP sustainability solution

To address the growing interest in sustainability, we have extended our cooperation with SAP® by launching new services in support of SAP sustainability solutions. The new services cover all of SAP's sustainability solutions and strengthen our offerings for sustainable IT solutions.

We are one of a few Nordic IT partners with a full SAP sustainability offering, supporting our customers to create value from sustainability in four key areas:

- Operational risk management, which helps companies move beyond compliance to proactively lower environmental, health and safety risks in operations.
- Sustainability reporting and analytics theme helps to plan and measure corporate sustainability performance with the help of Global Reporting Initiative (GRI) certified reporting tools.

- Energy and environmental resource management theme focuses on collecting data to manage energy consumption and costs more efficiently.
- Product safety and stewardship theme helps companies manufacture sustainable products and helps ensure efficient compliance with changing regulations

With these services, we aim to help companies and organizations manage their value chains from a sustainability perspective.

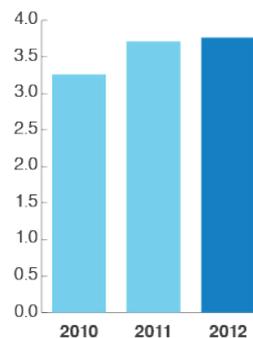
Quality and customer experience

Quality is one of the top priorities at Tieto and an integral part of our daily work. As a result of our continual improvement efforts, customer satisfaction increased in 2012 for the second consecutive year.

For us, quality means listening to our customers, recognizing and analysing good practices and possible gaps in our services, and proactively improving service levels. Quality was one of our main focus areas during 2012, covering customer experience as well as quality in sales and deliveries. Among other things, a new real-time dashboard was created to monitor our hosting services availability monthly for our biggest customers. Another example of the actions taken was the re-design and implementation of our Customer Experience Measurement (CEM) model.

In Tieto, customer satisfaction is measured at strategic, tactical and operational levels. The strategic-level measurement process is implemented as an annual Customer Experience Survey (CES). In 2012, more than 900 customer representatives gave their feedback through face-to-face interviews, with an 82% response rate. The overall index for customer satisfaction, CES Benefit Index, increased to 3.76 compared to the previous year on a scale 1 – 5 (3.71 in 2011). Our current target is to reach a CES Benefit Index of 4.0 during the current strategy period (2012-2016). However, during 2013, a new KPI for strategic-level customer experience measurement will be introduced and baselined. The target setting will be revised accordingly.

Customer benefit index



Based on this survey, there was a clear improvement in our overall quality as a supplier as well as our ability to support customers in reaching their goals. We are seen as trustworthy, reliable and caring partner with strong customer relations on personal levels. However, there are also areas for further improvements, such as quality in deliveries, proactivity and innovation, and acting as a more unified organization towards customers. The improvement actions have been embedded in our operating plans for 2013 and their implementation is in process.

According to this survey, customers' knowledge of our corporate responsibility (CR) performance also decreased slightly. During 2013, CR will be further integrated into our daily business operation and CR communication strengthened internally as well as externally.

The Tieto way

Way to Excellence (W2E) is our common business system and process library. It is based on best practices gained over more than forty years, and defines the processes needed to develop, sell and deliver our products and services to customers.

During 2012, our W2E was updated and simplified to ensure alignment with our new strategy and operating model. The second phase, involving user experience and platform change, continues during 2013.

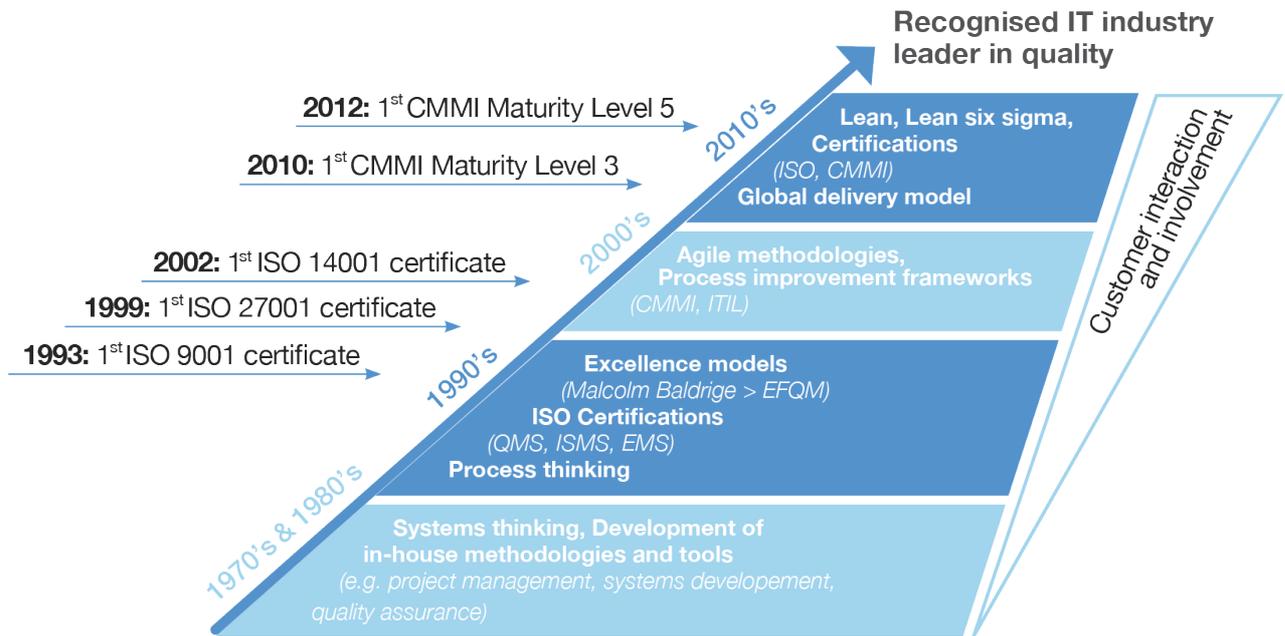
W2E plays a significant role in corporate knowledge management, and is a vehicle for competence transfer and sharing proven and best practices. It is continuously benchmarked and compliant with international standards and frameworks like ISO 9001 (Quality management systems), ISO 27001 (Information security management systems), ISO 14001 (Environmental management systems), ITIL (IT Service Management) and CMMI (Capability Maturity Model Integration).

W2E is also compliant with many other frameworks like Project Management Book of Knowledge (PMBOK) and Unified Process. Furthermore, the compliance is ensured with selected industry

standards, e.g. ISO/IEC 15504 (SPICE) within the automotive industry, EU Medical Device Directive (2007/47/EC) within the healthcare industry and ISO 13485:2003/AC: 2007 for medical devices.

Our quality journey

Many of our operations are externally certified according to these international standards for management systems. Det Norske Veritas (DNV), an accredited certification body, is our certification partner. At the end of 2012, 52% of our business (employees) was covered by ISO 9001 certificates, 29% of our business (employees) was covered by ISO 27001 certificates and 13% of our business (employees) was covered by ISO 14001 certificates. Certification is mainly driven by customer and business needs.



Internally, we implement an annual audit and assessment programme to ensure the compliance of our operations with our standard processes. There were several minor non-conformities identified in the audits and assessments during 2012. Most of the corrective actions have already been closed and the remaining few are being worked upon.

DNV reported two major nonconformities in ISO audits during 2012. Both originated from the ISO 9001-based audit and were related to customer satisfaction measurement and adherence to sales process. Action plans were developed, corrective actions were taken, and these non-conformities were resolved. In its audits, DNV also identified a number of strengths across Tieto, such as increased customer focus, high focus from management on quality and security, and higher security awareness among employees throughout 2012.

In December 2012, our Healthcare & Welfare unit in India was successfully appraised at maturity level 5 of CMMI for development V1.3, using the SCAMPI A v1.3 method. The advanced maturity practices were implemented with a theme of flexible predictability in the projects using the Agile principles. The maturity journey resulted in e.g. 43 % reduction in delivered defects, increased speed and estimation accuracy, and delivering more product features in a given

time. Altogether, 21 internal CMMI assessments were conducted during the year to improve the overall maturity of the organization. A CMMI implementation roadmap for 2013 is in place and its implementation has started.

In addition to fostering mature processes and inbuilt tools, we have implemented a global delivery model, Customer-driven Global Delivery, to ensure cost-competitive deliveries to our customers. In this model, delivery teams are combined from onshore and offshore resources with specific industry knowledge. During the last few years, we have been actively increasing our capacity in our global delivery centres, which are currently located in Czech Republic, China, India, Latvia, Philippines and Poland.

The Service Excellence program, which began in 2010, was concluded in 2012 and has developed into an integral part of our company culture. This initiative was aimed at increasing quality awareness and commitment at all levels and in all areas across the company.

The Lean Transformation initiative involved around 2000 employees in 2012 and contributed to cost savings as well as increased employee satisfaction. It was started in 2010 and aims to improve

working environment of delivery teams by visualizing possible bottlenecks and wastage in work and removing them. The main achievements in 2012 include the Lean@TIPS (Tieto Integrated Paper Solution), in which we doubled the contribution margin and totally changed the trend of errors and unfinished work as well as employee satisfaction.

The implementation of our quality roadmap for 2013 proceeds at full speed. Top priorities include streamlining the customer planning process, the implementation of W2E on the new platform (incl. definition and deployment of quality-related roles), and the renewal of the Quality & Delivery Performance Dashboards.

Information security

Today's digitalized business processes place higher requirements on information security. With data stored in the cloud and an increasing number of users, security arrangements are crucial for protecting the integrity of personal and business critical information.

As an IT service provider, it is vital that our solutions, services, and internal processes comply with the European data privacy and information security regulations as well as meet the quality and integrity requirements set by our customers and other stakeholders.

In general, information security can be defined as the preservation of the following:

- Confidentiality - protecting information from unauthorised access and disclosure
- Integrity - safeguarding the accuracy and integrity of information and processing methods
- Availability - ensuring that information and associated services are available to authorized users when required

The above mentioned requirements are all implemented through our Information Security Management System (ISMS), which is defined in our business system Way to Excellence. The ISMS explains the information security rules and organization. It also provides the mandatory information security processes, which are regularly benchmarked. We maintain information security awareness among our employees mainly by means of Intranet articles, e-learning courses and other training programs, as well as through manual feedback questionnaires and conferences. Managers are responsible for creating awareness and implementing the ISMS in their own units.

In November 2011, one of our data centres in Sweden experienced a severe incident caused by a hardware failure, affecting approximately fifty customers. By 1 July 2012, all outstanding contractual and insurance issues related to this incident had been closed.

As a result of this incident and the thorough analysis that followed, several actions have been initiated to prevent similar events from occurring. These include strengthened risk analysis and business continuity planning together with customers, the review of disaster recovery hardware replacement timelines and refined back-up strategies, to mention a few.

Our aim is to maintain a close dialogue with different stakeholders in society at large. We actively work towards establishing common regulations, which are necessary to facilitate the cooperation and encourage the exchange of information and communication with the public in the event of future IT-incidents. We cooperate continuously with various authorities, for instance, by including sharing information on intrusion attempts. Through this means, we also benefit from information that enables us to proactively prevent incidents.

During 2012, no complaints about customer privacy breaches were reported and no substantiated complaints have been received.

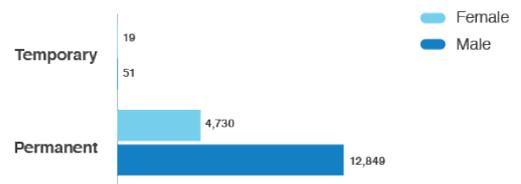
Our people

Our success as a company is built on the competence, attitude, motivation, experience and performance of our employees. Our long-term vision is to be the employer of choice.

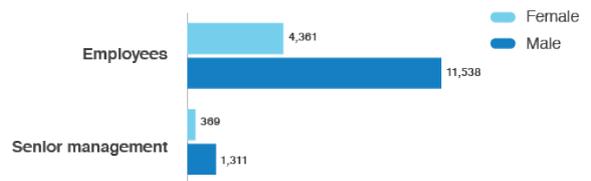
For our Human Resources (HR) function, the main focus area during 2012 was to support the overall business transformation and the redesign of the new operating model, which was taken into use at the beginning of 2013. The new model is designed to support the implementation of our new strategy, which is built around industry expertise, horizontal service lines and simplified operations.

Personnel negotiations related to the restructuring, and cost savings programme launched in March 2012 reduced approximately 1 400 roles in Tieto during 2012. In addition to this, divestments further decreased the number of employees by around 600. At the same time, new outsourcing deals added more than 300 people. At the end of December 2012, the number of permanent employees amounted to 17 579 (18 906), corresponding to 16 537 (18 123) full-time employees. The number of full-time employees in the global delivery centres totalled 6 879 employees (7 250) representing 41,6% (40%) of personnel. The biggest increases were seen in the Czech Republic and the Philippines.

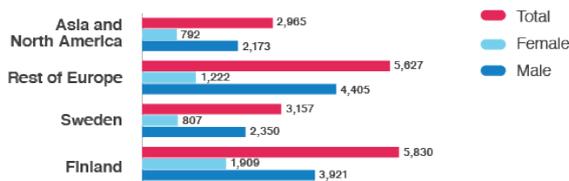
Employment contract by gender



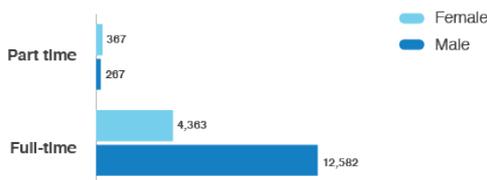
Employee categories by gender



Workforce by region by gender



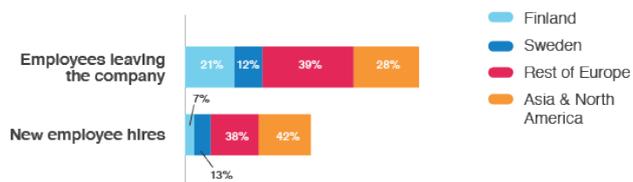
Employment types by gender



In addition to supporting restructuring activities, HR supported the business operations in identifying and appointing the right talent to key leadership positions in the new organization. Other focus areas were competence development to ensure good matches for the company's key roles, and the redesign of incentive structures to link compensation more closely with individual performance in driving business results and company transformation.

Our employees are our key asset and retention of employees is therefore a strategic sustainability issue. At the end of 2012, the twelve-month rolling employee turnover rate stood at 9.9 % (12.5%). There are significant differences in turnover figures between countries and attrition in Nordic countries is relatively low.

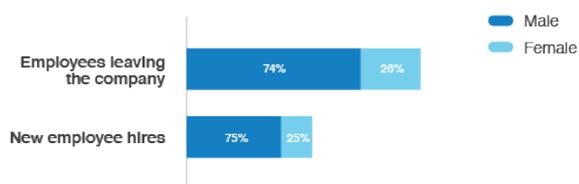
New employee hires and turnover by region



New employee hires and turnover by region, Dec 31 2012

	New employee hires	Employees leaving the company
Finland	120	652
Sweden	214	371
Rest of Europe	638	1206
Asia & North America	694	872
Total	1666	3101

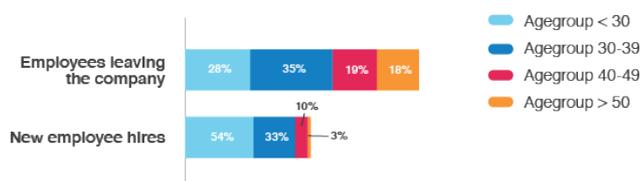
New employee hires and turnover by gender



New employee hires and turnover by gender, Dec 31 2012

	New employee hires	Employees leaving the company
Male	1252	2305
Female	414	796
Total	1666	3101

New employee hires and turnover by age group



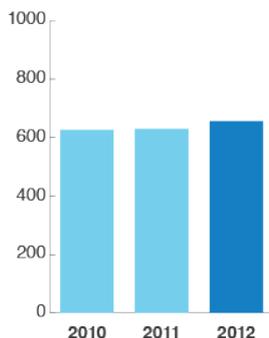
New employee hires and turnover by age group, Dec 31 2012

	New employee hires	Employees leaving the company
Agegroup1 < 30	905	861
Agegroup2 30-39	551	1089
Agegroup3 40-49	165	588
Agegroup4 > 50	45	563
Total	1666	3101

Employee satisfaction

Given these transformation activities and related cost savings measures, the improvement in our annual employee survey (VOICE) results is noteworthy. In the 2012 survey, our overall employee satisfaction index increased from 630 to 657 compared to the previous year (scale 1–1 000). The response rate was again very high, reaching 86% (85%).

Employee satisfaction index



Based on the employee survey, people feel that their competences are well matched to role expectations. We also rate our leaders higher than ever before. Attraction and relation to Tieto remains the lowest rated area, and highlights the need for continued consistent work to implement the new strategy and operating plans to create business success and trust in the company's future. One of the focus areas for 2013 will be building and strengthening our employer brand, both internally and on the external markets.

This VOICE result means the long-term goal of an employee satisfaction index of 650 was reached. During 2013, the employee satisfaction index target will be reviewed as part of the overall corporate responsibility planning.

Managing human resources

The goal for our Human Resources function is to be a close partner to Tieto's business operations in attracting, developing and retaining the right talent.

We continuously strive to offer our employees challenging jobs, diverse development and training opportunities, and interesting career paths through job rotation. We also have competitive compensation packages, including bonus and incentive systems across the business.

Rewarding programmes and processes aim to create a clear connection between compensation, individual performance and the company's financial performance. The key elements are clearly defined goals and performance-based compensation, consisting of competitive base salaries and variable pay. A competitive and market-driven compensation structure supports our vision to become the employer of choice, ensuring that we can retain and motivate our skilled professionals and attract new talents.

Our HR strategy, Code of Conduct, Health and Safety and HR Privacy policies form the basis for management of HR-related responsibility. Our HR function is headed by the EVP HR, who is a member of the Tieto Leadership Team as well as the Corporate Responsibility Steering Group. Business unit managers and HR monitor Tieto's behaviour as an employer - and that of all our employees - in relation to human rights laws and internal policies, ensuring for example non-discrimination, equal opportunities and a safe and healthy working environment. Naturally, we follow the local employment laws and practices, collective agreements, and individual contract terms. When terminating employment contracts, we apply the appropriate notice period and pay the related compensation to employees in all countries

Health and safety

Our aim is to provide a safe and healthy workplace and work environment for our employees as well as others who are visiting or working in our premises. The physical and mental wellbeing of our employees is important, and critical to the way we conduct our business.

Our objective is to proactively avoid any physical or mental illness caused by the work environment. We are running many local programs to improve work ergonomics and take preventive actions, for example in the form of regular health checks.

Pension plans

We operate a number of different pension plans in accordance with national requirements and market practices. The majority of the plans are classified as defined contribution plans. Payments to defined contribution plans are recognised as expenses for the period to which they relate. After payment of the contribution, the group has no further obligations in respect of such plans.

For defined benefit pension plans, the liability equals the present value of the defined benefit obligation less the fair value of the plan assets adjusted for unrecognised actuarial gains and losses and unrecognised past service costs. The cost of providing pensions is charged to the income statement. In 2012, approximately 980 of our currently active employees were covered by defined pension benefit plans. Some of these employees are covered in both plans. For example, in Finland this applies to 522 employees.

Employee representation

We respect freedom of association and collective bargaining, and maintain good relationships and active collaboration with personnel representation bodies. In countries where these rights are restricted, parallel means of independent and free association are provided to ensure equal treatment of employees globally. Our management sees co-determination bodies as important partners. The purpose of these bodies is to promote interaction between management and staff, and enhance relations between employees.

Our country level employee representation and European works council help to exchange information between the employees and the employer, and act as a platform for personnel representation in decision-making bodies. Moreover, our personnel elect two members and two deputy members to the Board of Directors. This is done by personnel representatives in accordance with the Personnel Representation Cooperation Agreement. Through personnel representation, it is possible to utilize staff's expertise in decision-making concerning, for example, business operations, financial matters and personnel considerations.

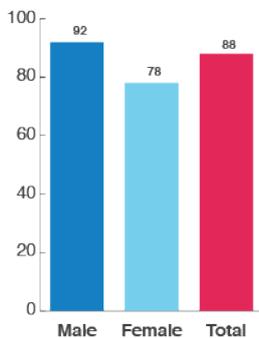
Competence development

Working at Tieto offers the opportunity to develop and deploy IT solutions and technologies that have a real impact on people's lives and contribute to developing society.

As an employer, we offer a truly international working environment with modern networking and internal social media tools that help promote knowledge sharing and cooperation across cultures. Every year we invest in transformation and the building of competences to increase agility and business growth. In 2012, the total average training hours per employee was 88 (76.2). Our current long-term goal is an average of 40-80 hours per employee, but this objective will be reviewed as part of the overall re-evaluation of our corporate responsibility objectives during 2013.

Our Success for People platform facilitates the translation of business goals into individual objectives that define more clearly what is expected from each employee. These global people processes consist of goal setting, performance evaluations and rewarding, competence evaluations, and development discussions to plan development goals and next potential career steps. Managers are working side by side with project management to care for each employee's best possible utilization and growth via meaningful project assignments.

Average number of training hours per employee and by gender



Diversity and equality

We provide equal opportunities for all employees and see diversity, whether of age, gender or cultural background as a strength, helping to build our competitiveness thanks to a reserve of varied experiences and competences.

In organisational development, we strive to ensure that senior management positions also increasingly represent females, young people and different nationalities. At the end of 2012, 73% (73%) of personnel were male and 27% (27%) were female. In many countries

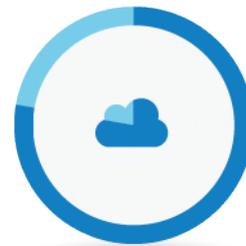
the IT industry is still male dominated, and a more equal division of male and female employees will be difficult to achieve.

Employees by gender



Male 11,538
Female 4,361

Senior management by gender



Male 1,311
Female 369

Leadership team by gender



Male 82%
Female 22%

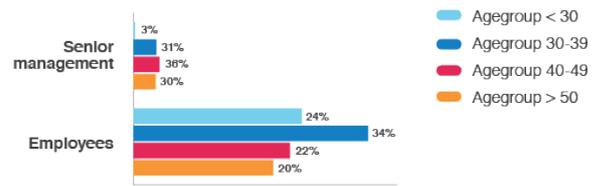
Board of directors by gender



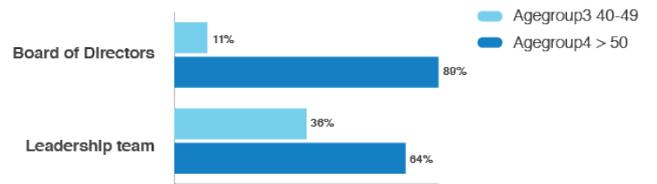
Male 78%
Female 22%

The share of women in senior management positions increased by a small proportion during 2012 reaching 22% at the year-end. By 31 December our ten person leadership team consisted of eight men and two women. Our Board of Directors also consisted of eight men and two women at the year-end.

Senior management and employees by age groups



Board of directors and Leadership team by age groups



Greener operations

We continuously examine ways to reduce greenhouse gas emissions of our activities. Emissions are mainly caused by indirect energy consumption in data centres and offices and by travel of employees. Our vision is to be 100 percent CO₂e neutral.

Our climate strategy focuses on how to increase energy efficiency inside the company and how to reduce travelling. In 2012, our overall indirect energy consumption increased by 6% compared to the previous year, reaching 137 068 190,0 kWh. This is mainly explained by temporary overcapacity in office facilities due to restructuring activities and related personnel reductions in 2012, and to opening two new offices in Ostrava, the Czech Republic, and Oslo, Norway.

We also had an increase of operations in data centres during 2012. Part of the increase in energy consumption may also be related to data quality, despite our efforts to constantly improve the consistency and quality of our energy data collection.

Energy consumption and greenhouse gases, 2010-2012

Emission class	Unit	2010	2011	2012	% change 2012 -2011
EN 3 Direct energy consumption					
Diesel	litres	352 687.0	148 243.0	36 232.4	
Total direct energy consumption	litres	352 687.0	148 243.0	36 232.4	-75.6 %
EN 4 Indirect energy consumption					
Electricity	kWh	141 337 369.0	107 348 296.1	119 942 521.9	
Cooling	kWh	6 633 519.0	12 139 899.2	11 315 097.0	
Heating	kWh	32 149 293.0	12 724 094.7	11 379 571.1	
Energy returned to district network	kWh	0.0	-3 220 000.0	-5 569 000.0	
Total indirect energy consumption	kWh	180 120 181.0	128 992 290.0	137 068 190.0	6.3 %
EN16 Total direct and indirect greenhousegas emissions					
Electricity	tCO ₂	28 870.0	22 452.0	28 580.9	
Cooling	tCO ₂	2 413.0	3 922.6	3 515.7	
Heating	tCO ₂	6 119.0	3 278.0	3 197.8	
Diesel	tCO ₂	93.0	39.0	9.5	
Energy returned to district network	tCO ₂	0.0	-663.3	-985.4	
Total GHG Scope 1-2	tCO ₂	37 495.0	29 028.3	34 318.5	21.6 %
EN17 Other relevant indirect greenhouse gas emissions					
Flights	tCO ₂	11 588.2	13 474.9	13 203.2	
Own cars	tCO ₂	2 488.0	2 695.7	2 382.2	
Taxi	tCO ₂	1 075.8	417.8	319.3	
Total GHG scope 3	tCO ₂	15 151.0	16 588.4	15 904.7	-4.1 %
Total CO ₂ emissions	tCO ₂	52 646.0	45 616.7	50 223.2	10.1 %

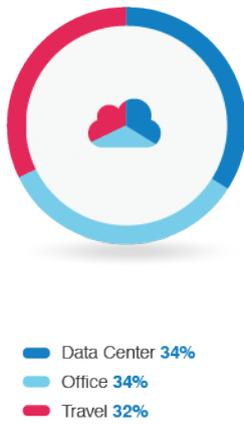
Total CO₂e emissions from our operations were estimated at 50 223 tons in 2012 (45 617 in 2011), an increase by 10% compared to the previous year. CO₂e emissions per employee were 2.86 tons (2.41),

an increase by 19% compared to 2011. The rise in CO₂e emissions is mainly explained by the increased energy consumption in 2012.

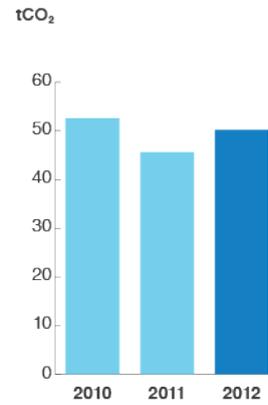
Our vision is to be 100% CO₂e neutral through annual reduction of total CO₂e emissions caused by our activities. In 2013, all

environmental goals will be revised as part of a total overview of our corporate responsibility strategy and goals.

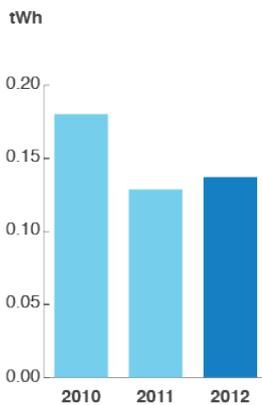
Sources of emissions



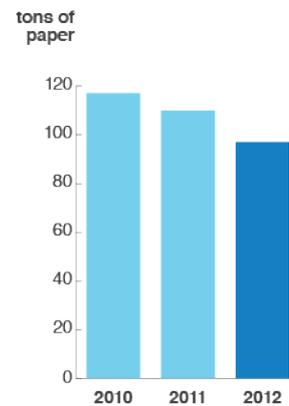
Total CO₂ emissions



Total indirect energy consumption



Printing paper consumption



Offices

Our objective is to improve the energy efficiency of our offices by reducing energy consumption per person by at least 7% per year in average during 2012-2015. In 2012, energy consumption per person increased by 8% due to restructuring activities and implementation of our new Group strategy, which resulted in temporary overcapacity in offices.

To improve environmental efficiency of our offices, we have applied WWF's Green Office standards in Finland since 2009. The Green Office criteria includes efficient use of energy and well-developed

sorting of waste for recycling. In 2012, two more offices in Finland received their certification, increasing the number of certified offices to six. Our current objective is to certify all Tieto sites with more than 50 employees according to ISO 14001 and WWF Green Office standard by the end of 2015.

Naturally, we encourage employees to implement environmentally friendly routines in their daily work, such as printing double sided to reduce paper consumption, and turning off lights, computers and other electrical equipment that is not in use in order to reduce energy

use. Our goal is to reduce total paper consumption by at least 5% per year.

Our Stockholm office has implemented several innovative sustainable solutions, i.e. a green roof with grass for efficient insulation as well as lights, electricity and ventilation controlled by the presence or absence of employees. In 2011, it was awarded an EU Green Building Award for energy efficiency.

Data centres

Data centres account for a large portion of energy consumption in the IT industry. Energy is needed for both running servers and computers in the data centres and for cooling. Energy consumption can be reduced by increasing the number of virtual servers or implementing efficient cooling solutions, for example free cooling. Shutting down electronic equipment that is not in use is another option. Our current objective is to increase energy efficiency in data centres by reducing energy consumption per server by at least 8% per year in average during 2012-2015. In 2012, we were able to further improve the energy efficiency of data centres as energy consumption per server decreased by 48% due to increased number of virtual servers.

Normally, the energy efficiency in data centres, expressed in Power Usage Effectiveness (PUE), is between 1.8 – 3.0. However, this measurement does not take into account recycling and re-use of excess heat, which is perhaps the best opportunity to enhance energy efficiency in data centres.

We have explored ways to reduce the energy consumption of data centres for many years and started to re-use energy already in 1978. Our new generation data centre in Espoo has a PUE of 1.2 –1.3 but is also connected to the local district heating network. In 2012, it was

feeding back excess heat corresponding to 78% of the total energy use in the data centre. For Espoo, the solution means reduced energy use as well as lowered CO₂e emissions. In Stockholm, we managed to return of 11% of total energy use in data centres in 2012.

At the end of 2012, we announced a further EUR 10 million investment in our new-generation data centre in Espoo, Finland, which doubles its capacity, making it possible to close down two other data centres that have become outdated, and thereby replace old technology by energy-efficient solutions.

Traveling

To reduce greenhouse gas emissions and other environmental impacts arising from travel, we encourage our employees to use our internal Future Office solution, a social and commercial media inspired workplace with digital communication and collaboration tools. It not only saves money and time for our employees, it also indirectly reduces our CO₂e emissions. The Future Office concept is also sold to our customers and in 2011 it was registered as a trademark.

Our objective is to reduce travelling by at least 4% per year by increasing the use of mobility and digital collaboration tools (i.e. yearly reduction of work related travelling kilometres per person in average during 2012-2016). While travelling measured in kilometres increased by 1% in 2012, travel-generated CO₂e emissions decreased by 4% during the same period. Emissions from car and taxi travelling decreased in double digit rate whereas emissions from flight travelling decreased by 2%. The increase in travelled kilometres is mainly due to the reorganization of the company in 2012, which required more travelling than business as usual.

Managing environmental responsibility

Our Environmental Policy applies to all employees and covers the company's business operations in all countries. Since 2010, our Environmental Management System (EMS) is integrated into our group common business system.

Our Environmental Policy states that employees are responsible for including environmental awareness and actions in their everyday work. Managers shall ensure that the policy is understood and acted upon within their organisations.

Our Head of Corporate Responsibility is responsible for the coordination, implementation and follow-up of environmental processes and practices on the corporate level. All units that are ISO 14001 certified have at least one environmental coordinator, and offices certified by WWF Green Office standard have a Green Office Coordinator.

To help managing our targets for greenhouse gas emissions we have developed a Greener Operations framework including IT policies, technology procurement guidelines, policies and practices for business communications, travel guidelines and guidelines for energy efficiency in data centres and the office environment.

Since 2010, our environmental management system (EMS) is integrated into our common business system Way to Excellence (W2E). This means that environmental processes are available for and apply to all parts of Tieto. Implementation is conducted on a

continuous basis through training and ISO 14001 certification of operations.

At the end of 2012, approximately 13% (11%) of employees were covered by ISO 14001 certificates. At the beginning of 2012, we started a project for certifying our Indian operations with global delivery centres. The ISO 14001 certificate was received from DNV in November 2012. Certification in other countries will continue based on customer demand. Our target is to have a corporate level ISO 14001 certificate by 2015.

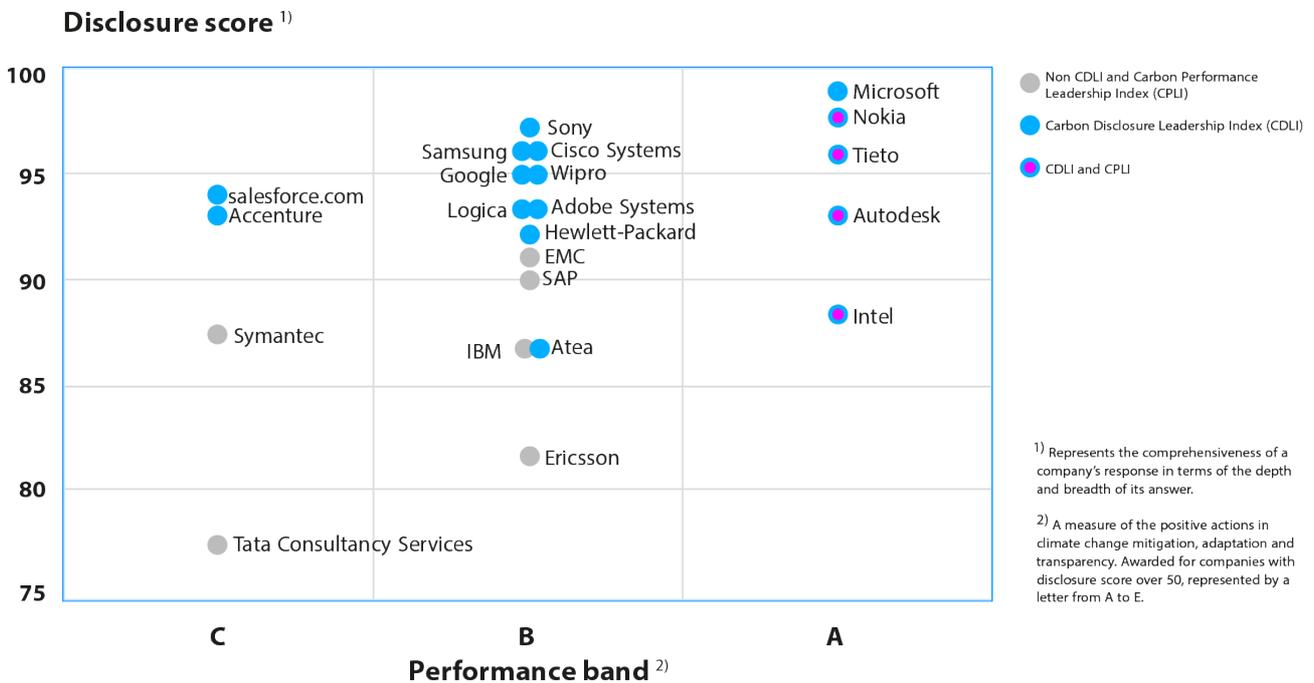
To implement our values throughout our entire value chain we have a Supplier Code, which complements our Code of Conduct with supplier related requirements. It is based on our Code of Conduct and also requests an environmental management system (EMS) in line with the ISO 14001 standard.

In addition to working actively with our own environmental responsibility and supporting our customers with sustainable IT solutions, we participate in standardisation work and sustainability conferences.

Awards and recognitions

Our climate change work has been recognized internationally by the Carbon Disclosure Project (CDP) among others. In 2012, for the second consecutive year we were included in CDP's leadership indexes for carbon disclosure and carbon performance.

CDP's recognition in 2012 positions Tieto as one of the leading IT services company globally in terms of carbon disclosure versus carbon performance.



While the Carbon Disclosure Leadership Index demonstrates companies with good internal data management practices for understanding greenhouse gas emissions, and with strong awareness of the business issues related to climate change, the Carbon Performance Leadership Index provides information on the range and quality of activities being performed in response to climate change.

CDP is an independent not-for-profit organisation holding the largest database of primary corporate climate change and water information in the world. The data is gathered on behalf of 655 institutional investors.

About this report

This is our fourth Corporate Responsibility (CR) report based on the GRI framework. As last year (2011), the CR report has an application level A+. This report together with our online Annual Report 2012 and Financial Review 2012 provide the basic information about our performance.

This CR Report focuses on issues that are considered to be the most material regarding our economic, social and environmental performance. These areas were identified in CR reporting workshops that were organized during 2011. During 2013, we plan to revisit our materiality analysis together with stakeholders, and update our CR strategy and goals accordingly.

Our CR report includes the Parent company Tieto Corporation and all subsidiaries over which the Parent company has direct or indirect control. The GRI Standard Disclosures cover the entire Tieto Group.

Unless otherwise stated, all information and data pertains to activities from 1 January to 31 December 2012. Mergers and acquisitions during 2012 have affected data only marginally.

Our energy and corresponding emissions data for environmental indicators covers 100% of our operations. With the help of facility management, the data has been collected from 15 data centres, corresponding to 100% of our data centres, and 65 offices in 12 countries, covering approximately 82% of our employees. The locations accounting for the missing 18% in countries with small operations were estimated based on our global average values with a 10% safety margin. The original data sources are internal IT systems and invoices from utility providers.

Equally, the travel data was collected from company IT systems. Data collection for flight information cover 92% of operations and taxi and car use information covers 82% of operations. Locations with major operations and significant amount of air travel are within the scope. Several emission factors from governmental and international

organisational sources were used to calculate the generated emissions.

We have made a restatement of indirect energy consumption and related emissions in 2011. The restatement was included in the assurance process. When we use the term "CO₂ emission" we mean CO₂ equivalent emission. In the report metric ton/UK tonne equivalent to 1 000 kilograms is stated solely as ton.

Some of our data collection routines are still to be adjusted to the GRI 3.1 and some data is currently unavailable in our internal systems. This applies to GRI indicator SO3, LA 1 and LA 10.

The performance data, disclosures and statements in this report are assured to a moderate level in accordance with the AA1000 Assurance Standard (2008) – see Assurance Statement. Our assessor, Ethos International, has provided a third party check confirming our application of the GRI G3.1 guidelines to be A+. Assurance increases transparency and is key to delivering a high-quality report.

This report is also our annual Communication on Progress in accordance with the UN Global Compact requirements. It qualifies for the GC Advanced level.

Our previous report, Tieto CR Report 2011, was published on 25 May 2012.

GRI content index table

Profile Disclosure	Strategy and Analysis	Reported	Cross-reference/ Direct answer	Page in pdf	UN Global Compact principles
1.1	Statement from the most senior decision-maker of the organisation.	Fully	CEO's message	21	
1.2	Description of key impacts, risks, and opportunities.	Fully	CR strategy	4	

Profile Disclosure	Organisational Profile	Reported	Cross-reference/ Direct answer	Page in pdf	UN Global Compact principles
2.1	Name of the organisation.	Fully	This is Tieto	1	
2.2	Primary brands, products and/or services.	Fully	This is Tieto	1	
			This is Tieto	1	
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures.	Fully	This is Tieto	1	
			This is Tieto	1	
2.4	Location of organisation's headquarters.	Fully	This is Tieto	1	
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	This is Tieto	1	
2.6	Nature of ownership and legal form.	Fully	This is Tieto	1	
2.7	Markets served.	Fully	This is Tieto	1	
2.8	Scale of the reporting organisation.	Fully	This is Tieto	1	
2.9	Significant changes during the reporting period regarding size, structure or ownership.	Fully	This is Tieto	1	
2.10	Awards received in the reporting period.		Our approach	Awards and recognitions	3, 40

Profile Disclosure	Report Parameters	Reported	Cross-reference/ Direct answer	Page in pdf	UN Global Compact principles
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3.2	Date of most recent previous report.	Fully	About this report	41	
3.3	Reporting cycle.	Fully	Our approach	3	
3.4	Contact point for questions regarding the report or its contents.	Fully	About this report,	CR contacts	41, 50
3.5	Process for defining report content.	Fully	Materiality analysis	5	
3.6	Boundary of the report.	Fully	About this report	41	

3.7	State any specific limitations on the scope or boundary of the report.	Fully	About this report	41
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities.	Fully	About this report	41
3.9	Data measurement techniques.	Fully	Managing environmental responsibility	39
			About this report	41
3.10	Explanation of the effect of any re-statements of information provided in earlier reports.	Fully	About this report;	indirect energy consumption and related emissions 41
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	About this report	41
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI index table	42
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Independent assurance statement	48

Profile Disclosure	Governance, Commitments and Engagement	Reported	Cross-reference/ Direct answer	Page in pdf	UN Global Compact principles
4.1	Governance structure.	Fully	Managing CR Corporate governance	10 12	Principles 1-10
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Corporate governance	12	Principles 1-10
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	The Unitary board structure does not exist in Finnish corporations		Principles 1-10
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Corporate governance	12	Principles 1-10
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organisation's performance.	Fully	Corporate governance	12	Principles 1-10
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Corporate governance	12	Principles 1-10
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees.	Fully	Corporate governance	12	Principles 1-10
4.8	Internally developed statements of mission or values, codes of conduct and principles.	Fully	Managing CR	10	Principles 1-10
4.9	Procedures of the highest governance body for overseeing the organisation's management of economic, environmental, and social performance.	Fully	Corporate governance	12	Principles 1-10
4.10	Processes for evaluating the highest governance body's own performance.	Fully	Corporate governance	12	Principles 1-10

4.11	Explanation of whether and how the precautionary approach or principle is addressed.	Fully	CR strategy	4	Principle 7
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses.	Fully	Our approach	3	Principles 1-10
4.13	Memberships in associations and/or advocacy organisations.	Fully	Our approach	3	Principles 1-10
4.14	List of stakeholder groups engaged by the organisation.	Fully	Stakeholder dialogue	8	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholder dialogue	8	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Stakeholder dialogue	8	
4.17	Key topics and concerns that have been raised through stakeholder engagement.	Fully	Stakeholder dialogue	8	

Profile Disclosure	Economic Performance	Reported	Cross-reference/ Direct answer	Page in pdf	UN Global Compact Principles*
DMA EC	Management approach economic	Fully	CR strategy	4	Principles 1, 4, 6 & 7
			Creating value for stakeholders	14	
EC1	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Creating value for stakeholders	14	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	CR strategy	4	Principle 7
			Sustainable IT	22	
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Our people	29	
EC4	Significant financial assistance received from government.	Fully	Creating value for stakeholders	14	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Supporting social development	16	
Performance Disclosure	Environmental Performance	Reported	Cross-reference/ Direct answer	Page in pdf	UN Global Compact Principles
DMA EN	Management approach environment	Fully	Managing environmental responsibility	39	Principles 7-9
EN1	Materials used by weight or volume.	Partly	Greener operations	36	Principle 8
EN3	Direct energy consumption by primary energy source.	Fully	Greener operations	36	Principle 8
EN4	Indirect energy consumption by primary source.	Fully	Greener operations	36	Principle 8
EN5	Energy saved due to conservation and efficiency improvements.	Partly	Greener operations	36	Principles 8 & 9

EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Sustainable IT	Greener operations	22, 36	Principles 8 & 9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partly		Greener operations	36	Principles 8 & 9
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully		Greener operations	36	Principles 8 & 9
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully		Greener operations	36	Principles 8 & 9
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully		Greener operations	36	Principles 7-9
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Sustainable IT,	SAP sustainability solution	22, 23	Principles 7-9
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Zero.			Principle 8

Performance Disclosure	Labor Practices and Decent Work	Reported	Cross-reference/ Direct answer	Page in pdf	UN Global Compact Principles
DMA LA Employment	Management approach labour practices and decent work	Fully	Managing human resources	32	Principles 1, 3 & 6
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	Our people	29	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Our people	29	Principle 6
Labour/ Management Relations					
LA 5	Minimum notice period(s) regarding operational changes, including whether it's specified in collective agreements.	Fully	Managing human resources	32	
Training and Education					
LA10	Average hours of training per year per employee by gender and employee category.	Fully	Competence development	33	
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Diversity and equality	34	

Performance Disclosure	Human Rights	Reported	Cross-reference/ Direct answer	Page in pdf	UN Global Compact Principles
DMA HR Investment and procurement practises	Management approach human rights	Fully	Sustainable supply chain	19	Principles 1-6
HR 2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	1% of all suppliers in		Principles 1-6

		India and China in 2012			
Non-Discrimination					
HR4	Total number of incidents of discrimination and actions taken.	Fully	Zero		Principles 1, 2, 6
Freedom of Association and Collective Bargaining					
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	Sustainable supply chain	19	Principles 1, 2 & 3
Child Labor					
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	Sustainable supply chain	19	Principles 1, 2 & 5
Forced and Compulsory Labor					
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	Fully	Sustainable supply chain	19	Principles 1, 2 & 4
Performance Disclosure	Society	Reported	Cross-reference/ Direct answer	Page in pdf	UN Global Compact Principles
DMA SO	Management approach society	Fully	Business ethics	16	Principle 10
			Supporting social development	16	
Corruption					
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Business ethics	16	Principle 10
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Business ethics	16	Principle 10
SO4	Actions taken in response to incidents of corruption.	Fully	Business ethics	16	Principle 10
Public Policy					
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Business ethics	16	Principles 1-10
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Business ethics	16	Principle 10
Anti-Competitive Behavior					
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	Zero		
Compliance					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Zero		

Performance Disclosure	Product Responsibility	Reported	Cross-reference/ Direct answer	Page in pdf	UN Global Compact Principles
DMA PR	Management approach product responsibility	Fully	Quality and customer experience	23	Principles 1 & 8
Products and Service Labeling					
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Quality and customer experience	23	
Customer Privacy					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	Information security	28	Principle 1
Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	Zero		

Independent assurance statement

Scope and objectives

Ethos International AB has undertaken independent assurance of the Tieto Corporate Responsibility Report 2012 (the Report), including carbon emissions data for Scope 1, 2 and 3 which, are also reported to the CDP. The assurance process was conducted in accordance with AA1000AS (2008). We were engaged to provide moderate level Type 2 assurance, which covers

- Evaluation of adherence to the AA1000AS (2008) principles of inclusivity, materiality and responsiveness (the Principles) and
- Reliability of specified sustainability performance information.

The performance information included in the scope was all data and key claims in the Report with the exception of data that is subject to mandatory auditing and is also contained in the Annual Report 2012 and data concerning donations to external charitable organisation. We used the Global Reporting Initiative (GRI) Reporting Principles for Defining Quality as criteria for evaluating performance information. Additionally, we were engaged to provide a third party check on the application of the GRI G3.1 Guidelines.

Responsibilities of the directors of Tieto and of the assurance providers

The directors of Tieto have sole responsibility for the preparation of the Report. We were not involved in the preparation of any part of the Report. Ethos International has previously provided Assurance for Tieto Corporate Responsibility Reports in 2011 and 2010.

Our statement represents our independent opinion and is intended to inform all of Tieto's stakeholders including management. We adopt a balanced approach towards all Tieto's stakeholders.

Our assurance team comprised of Malin Lindfors Speace, Anne von Stockenström and Anne Eliasson. Further information on individual competencies relating to the team is available at: www.ethosinternational.se.

Basis of our opinion

Our work was designed to gather evidence with the objective of providing moderate assurance as defined in AA1000AS (2008). We undertook the following activities:

- Review of the current sustainability issues that could affect Tieto and are of interest to their stakeholders.
- Interviews with the Board director responsible for sustainability, selected directors and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. These were freely selected by the assurers.
- Review of Tieto's approach to stakeholder engagement and recent outputs.
- Review of information provided to us by Tieto on its reporting and management processes relating to the Principles.
- Site visits, freely selected by the assurers, to Tieto corporate head office in Helsinki, Finland, Tieto's local office in Stockholm, Sweden, and to Tieto local office in Chengdu, China, to review implementation of sustainability strategy.
- Review of supporting evidence for key claims in the report.
- Review of the processes for gathering and consolidating data and, for a sample, checking data consolidation.
- For both data and claims checking, this included accessing all key reporting and performance management processes as well as reviewing central systems, internal systems, intranet, electronic documents, e-mails and other sources of evidence.
- An independent assessment of Tieto's self-declared A+ Application Level for the GRI G3.1 Guidelines.

Findings and Opinion

We reviewed and provided feedback on drafts of the Report and when necessary, changes were made accordingly. On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Tieto's adherence to the Principles or its performance on all areas of sustainability.

In terms of data accuracy, nothing came to our attention to suggest that the data had not been properly collated from information reported on an operational level, or that the assumptions used were inappropriate. We are not aware of any errors that would materially affect the data. Forthcoming an increased focus is necessary on harmonisation of human resources systems and inclusion of gender and environmental KPI data.

We can confirm that we have checked Tieto's self-declared application of the GRI G3.1 guidelines to be A+.

Observations

Without affecting our assurance opinion we also provide the following observations.

Performance information

Overall we have a strong confidence in the level of accuracy of the performance information presented in the Report. Data collection processes are described and supported through evidence seen during the assurance process. An observation has been made and noted on the necessity of increased attention to dissemination and follow up with sufficient support on comprehension and implementation of policies at local sites. During the site visit to Tieto local office in Chengdu, China, it was observed that further amendments are needed in 2013 to meet stated policy on health and safety to increase supplier compliance.

A small number of data errors were highlighted during the assurance process and have subsequently been corrected in later versions of the report and information on restatements are published in the report.

Materiality

We believe the report describes the great majority of Tieto's material impacts in an adequate and good manner that enables all stakeholders to engage with Tieto moving issues to a greater knowledge from year to year. Areas that should be further highlighted and addressed in Tieto's forthcoming focus on Corporate Responsibility are training and supply chain management, including supplier requirements and audits.

Inclusivity and responsiveness

The review of Tieto's stakeholder engagement confirms that continuous engagement with key stakeholders is held in an inclusive manner developing a mutually respectful relationship with responses essential for Tieto on prospective sustainability matters. The results inform and guide all sustainability issues on a strategic level and are well recapped in the report.

To move forward Tieto will continuously conduct several stakeholder dialogues and sustain the relationship with key stakeholders to endorse responsiveness.

Ethos International

6th June 2013



Malin Lindfors Space, Partner and Senior Advisor



Anne von Stockenström, Advisor



Anne Eliasson, Advisor



Ethos International AB is a Nordic advisory licensed by AccountAbility to provide AA1000 AS (2008) assurance.



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