

Vaisala Corporate Responsibility Report 2008



VAISALA

CR contact in Vaisala

If you have questions or comments regarding the report, please feel free to contact us.

Helena Marjaranta
Senior Vice President, Communications
helena.marjaranta@vaisala.com
+358 9 8949 2832

Vaisala Oyj
Communications
P.O. Box 26
FI-00421 Helsinki
Finland

The PEFC Council (Programme for the Endorsement of Forest Certification schemes) is an independent, non-profit, non-governmental organisation, founded which promotes sustainably managed forests through independent third party certification. The PEFC provides an assurance mechanism to purchasers of wood and paper products that they are promoting the sustainable management of forests.

www.pefc.org

The Swan label takes into account sustainable and responsible forestry in its requirements. Swan label requires sustainable forestry in all criteria where the product's wood raw materials represent a significant part of the environmental impact. This is ensured in two ways: with certification requirement and with ensuring the origin of non-certified raw material as well as ensuring that in harvesting the ecological and social values are not threatened.

www.ymparistomerkki.fi/en

Vaisala is a global leader in environmental and industrial measurement. Building on more than 70 years of experience, Vaisala contributes to a better quality of life by providing a comprehensive range of innovative observation and measurement products and services for meteorology, weather critical operations and controlled environments. Headquartered in Finland, Vaisala employs over 1200 professionals worldwide and is listed on the NASDAQ OMX Helsinki.

www.vaisala.com



Contents

CR contact in Vaisala	2
Climate change – tackling the global challenge	4-5
What we accomplished in 2008	6
Reporting scope and principles	6-7
Observations for a better world	
Offices and production sites	8-9
New strategic focus and organization in 2009	10-11
Business areas and segments	12-13
The way we do business	
Vaisala's values	14-15
Code of conduct	16-17
Our stakeholders	18-21
Economic responsibility	
Financial overview of 2008	22-25
Social responsibility	
Workforce	26-27
Our employees matter	28-35
Society	37-39
Environmental responsibility	
Designing a better future	40-44
GRI content index	48-49
UN Global Compact reporting	50
Glossary	51
Cases	
Case: Vaisala Giant Leap	30
Case: The LEAD program	36
Cases	45-47



Climate change — tackling the global challenge

Climate change is one of the major themes and challenges of our times. As we start to understand the fundamental changes societies need to make in order to tackle this challenge, corporations are also gradually becoming more responsive to environmental concerns.

Vaisala has demonstrated its expertise in accurately measuring weather and environmental phenomena for more than 70 years. Vaisala equipment produce, display and store reliable environmental data, which is the cornerstone of any and all short- and long-term study on the climate.

Well-established and respected companies are able to demonstrate to their stakeholders that they stand for sustainable development and practices that steer the future into a positive direction. Vaisala is no exception. We want to demonstrate our industry leadership through setting an example not only when it comes to our products and services, but also when it comes to the way we operate and conduct our business.

Vaisala's vision is a world where environmental measurements improve daily life. Our strategy is to cater for the environmental measurement needs of our chosen customer segments. For example, we contribute to airport and road safety, provide flood warning systems and create weather forecasting capabilities in countries all around the world.

Vaisala seeks to develop its business and operations continuously. In the same spirit, our Corporate Responsibility (CR) activities and efforts can and will be further developed. We have many good practices and processes in place, but there is always room for further improvement. For example, we should continue our work on streamlining the environmental reporting practices of different Vaisala offices around the world, and further improve all offices' environmental performance. We should also develop stronger international coordination networks for all CR issues, and further enhance related communications to our staff in order to highlight the importance of the topic for us. Vaisala's vision and strategy provide us with a solid foundation and motivation to carry out this work, which will continue also in the future.

Staying focused in economic turmoil

The current economic crisis may tempt companies to freeze their Corporate Responsibility activities, as they focus their efforts on the survival game. Investments in climate change mitigation may be cut and responsible corporate policies forgotten. This would be a very short-sighted strategy, and the wrong target for cost-cuttings. Instead, growing environmental challenges call for new kinds of solutions, which might also imply fresh business opportunities based on the environment.

There is a lesson to be learned from the present economic turmoil. It has highlighted the dangers of not addressing global risks early enough - be they economic, environmental, or other. The current situation should work as a catalyst and a warning example, and encourage more vigorous international cooperation also in the context of environmental protection.

Instead of freezing green initiatives, companies need to push this agenda even more vigorously. When we come out of the economic crisis, the environmental challenges

will still be there. It will be the businesses that held their nerve and continued to invest in a better future that will emerge stronger and better equipped to face the challenges of the future.

Proactive approach required

Companies should be proactive and seek to innovate new ways of addressing challenges caused by climate change. In addition to reducing our own emissions and improving energy efficiency, we need to develop products, technologies and services that help to mitigate climate change.

Vaisala wants to do exactly this. We recently announced that we are investing in the development of an operational reference radiosonde. When complete, this instrument will provide superior-quality climatological data on the lower and upper parts of the atmosphere, and shed light on the dynamics of climate change.

The international scientific community has clearly expressed a need for a high-precision instrument to enable long-term research on climate change. As the global leader in environmental measurement, we feel it is our duty to respond to this need. We do not expect commercial gains from this development project - it is our investment towards a better future.

Committed to the UN Global Compact

This report is another effort in transparency and open communications towards our stakeholders. It also signals our commitment to Corporate Responsibility reporting and initiatives, which feature strongly on our long-term agenda.

Vaisala joined the UN Global Compact in 2008 and is fully committed to the initiative's ten guiding principles. Our Corporate Responsibility program echoes these values and strives to incorporate them fully into our organization. This report provides a summary of our efforts in making sure Vaisala lives up to its good reputation.



Kjell Forsén
President and CEO
Vaisala Oyj

What we accomplished in 2008

Vaisala grew both in sales and in staff in 2008. The Group's net sales amounted to EUR 242.5 million during the reporting period, a growth of 8.2 %, while operating profit grew 7.5 % to EUR 38.0 million. Vaisala had 1208 members of staff in thirteen countries at the end of the reporting period, a growth of 6.5 % compared to 2007. Earnings per share amounted to 1.56, an increase by 10 %. Investment in research and development in the review period totaled EUR 24.6 (23.5) million, representing 10.1 percent of the Group's net sales.

In November, Vaisala announced a construction project for the expansion of the Head office located in Vantaa. The new facilities will house 200 employees and will be completed at the end of 2010. The new energy efficient building will replace the oldest building on the site, which was taken into use in 1954. Moreover, the Boulder office was expanded to enable growth and to consolidate functions. Vaisala now occupies nearly 6,600 square meters at the Colorado Technology Center business park

At the end of the year, Vaisala acquired Aviation Systems Maintenance Inc. a Kansas, U.S. based airport service company with over USD 2.6 million net sales in 2008. Furthermore, Vaisala opened a liaison office in New Delhi, India in order to strengthen its presence on the Indian market.

New Vaisala brand look & feel

Also in 2008, we carried out a brand exercise to find out how to better support the new strategic focus with branding, and determine the essence of the Vaisala brand. Curiosity was identified as a driving force; we are curious to seek challenges and solve problems. The new Vaisala look and feel embodies this curiosity, whilst respecting the company's long history and good reputation gained through the years.

Awards

- Vaisala SPECTRACAP® Oxygen Transmitter OMT355, received an innovation award, granted by the French instrumentation and industrial automation magazine "Mesures". The OMT355 was acknowledged as the most innovative product for its new user friendly way of packaging and for the advanced Tunable Diode Laser technology.
- Vaisala was awarded for its continuous community outreach and support for the Tucson Children's Museum. Vaisala has been an annual sponsor of the Tucson Children's Museum's Annual Father's Day Golf Tournament. The golf tournament has provided an opportunity for Vaisala to provide lightning safety education to both the participants and the active outdoor and golfing community.

Reporting scope and principles

The Vaisala Group Corporate Responsibility report 2008, the first of its kind, has given us an opportunity to look into our organization from a new perspective. As Vaisala is all about accurate environmental measurements, environmental responsibility has always been close to our hearts. Now we want to show our stakeholders that we conduct all our business in an equally responsible way.

It was clear from the beginning that Vaisala would base its corporate responsibility reporting upon Global Reporting Initiative's (GRI G3) universal guidelines. We believe that GRI helps us write a good report, and shows our commitment to responsible business. We have self-declared this report to

GRI Application level C. A GRI content index is provided at the end of the report for cross-reference.

Vaisala is committed to continuous CR reporting. Reports will be published at the end of the first quarter on an annual basis, reporting for the full calendar year, in this case 2008. Following the GRI boundary guidelines, our financial and human resource data is reported group wide, but our environmental data is subject to availability and therefore limited to our manufacturing site in Vantaa, Finland.

We have assembled information from across the organization and realized we need to merge different reporting



styles into one coherent reporting method. This is something we aim to develop further in following reports. As for now, all our sites and products are covered by a certified environmental management system based on SFS-EN ISO 14001. However, until now the reporting procedures for this standard have not been consistent across the organization and a lot of variety is making it difficult to compare data between subsidiaries.

Furthermore, even if most information concerning our employees is managed globally, local regulations and procedures sometimes make comparing data between offices difficult. Information on staff training, absenteeism, and local benefits are monitored and

reported differently in almost each office. In order to focus on the most prevalent information in the organization, offices with ten employees or less have been omitted from this year's report with regard to the abovementioned statistics.

Vaisala became a UN Global Compact signatory in October 2008. We are proud to support the ten principles of Global Compact and we will also promote these values to our stakeholders. Global Compact requires signatory organizations to supply a 'Communication on Progress' (COP) within the first two years of enrolment. This report will act as Vaisala's first COP, referenced in conjunction with the GRI content index at the end of this report.



Observations for a better world



Offices and production sites

New strategic focus and organization in 2009

Year 2008 was characterized by change in Vaisala. We refocused our strategy in order to serve our customers in different applications even more efficiently than before. Following the strategic changes, we reorganized the entire company and redefined our brand to reflect what we stand for. The new organization became effective at the beginning of 2009. We also launched numerous corporate responsibility initiatives to emphasize our deep-founded values.

Environmental awareness is increasing worldwide, creating demand for energy efficiency and renewable energy sources. As a global leader in weather and industrial measurement, Vaisala is ideally positioned to respond to these requirements: to grow within our well-established market segments and enter new growth segments like wind energy, cleanrooms and chambers and building automation.

Similarly, Vaisala's business environments are developing. Investments in airport and road infrastructure continue, resulting in a need for even more reliable weather information to maximize safety and increase operational efficiency. The requirements for automated weather solutions, wireless connectivity and remote sensing technologies are also among key trends within the industry.

From January 1st 2009, Vaisala's chosen business areas are Meteorology, Weather Critical Operations and Controlled

Environment. Each business area develops their strategies in line with Vaisala's vision, mission and values to expand and strengthen Vaisala's position in the business. The business areas are divided into customer-specific market segments, as listed in the following. The segments consist of customers with similar needs, and represent an attractive market in terms of size, sustainable growth and profitability.

Vaisala in short

Vaisala is a global leader in environmental and industrial measurement. Building on more than 70 years of experience, Vaisala contributes to a better quality of life by providing a comprehensive range of innovative observation and measurement products and services for meteorology, weather critical operations and controlled environments. Headquartered in Finland, Vaisala employs over 1200 professionals worldwide and is listed on the NASDAQ OMX Helsinki.

www.vaisala.com

VAISALA	Meteorology	Weather Critical Operations	Controlled Environment
Services	Established Markets	Airports	Building Automation
Products and Technology	Emerging Markets	Roads	Cleanrooms and Chambers
Operations		Defense	Targeted Industrial Applications
Support		Wind energy	Controlled Environment Sales
<ul style="list-style-type: none"> ■ Group Marketing and Sales ■ Finance ■ Human Resources ■ Communications ■ IT Development ■ Group Business Development ■ Strategic Research 	Meteorology Sales	Weather Critical Operations Sales	



Vision

We believe in a world where environmental observations improve daily life.

Mission

Our mission is to be the leading supplier of observation and measurement products and services for:

- **Meteorology**
- Chosen segments of **weather critical operations**
- Chosen segments of **controlled environment** and industrial measurement

We achieve leadership by providing a comprehensive range of innovative products and services for each chosen segment with the right mix of performance, reliability and convenience to best fulfill the needs of the customers we serve.

Business areas and segments

Meteorology

The Meteorology business area serves national meteorological and hydrological institutes whose primary interest is the safety and wellbeing of people, as well as safeguarding property. The business area is divided into two segments.

Established Markets

The Established Markets segment caters for customers that typically purchase products and services according to standard specifications. The focus is on reducing customers' operating costs by increasing the cost-efficiency of products, automation and remote monitoring, as well as expanding the services offering.

Emerging Markets

The Emerging Markets segment caters for customers that ask for turnkey projects and capability upgrades to predict severe weather. Their needs also include standard weather observation equipment, systems and services. Damages from natural disasters increase, driving the need for capability upgrades within hydrology and meteorology.

Weather Critical Operations

The Weather Critical Operations business area serves operators and authorities whose primary interest is the safety and effectiveness of operations under all weather conditions. The business area is divided into four segments.

Airports

The Airports segment provides weather observation solutions to airport customers. It supports effective operational decision-making, and improves efficiency, safety and environmental compatibility of airport operations.

Defense

The Defense segment serves defense forces and security organizations. Awareness of weather is a basis for better decision making and improved safety and efficiency in air, land and sea operations. In addition to their defense functions, many national defense organizations also control civilian airports and contribute to national weather forecasts.

Roads

The Roads segment provides weather observation solutions to road authorities. It supports operational decision-making, and helps to ensure safety and optimize the efficiency of traffic management and road maintenance operations.

Wind Energy

Wind Energy is a new market segment for Vaisala. The segment's scope includes site surveys, wind park operations and wind turbine applications.

Targeted Business Development

The Targeted Business Development segment seeks for new market segments and serves customers in the Weather Critical Operations business area which do not belong to any other segment. New segments are searched systematically through analysis, piloting, and entry phases, each with specific development activities.

Controlled Environment

The Controlled Environment business area serves customers who operate in tightly controlled and demanding areas where the measurement of precise environmental conditions is required to increase operational quality, productivity and energy savings. The business area is divided into three segments.

Cleanrooms and Chambers

The Cleanrooms and Chambers segment caters for measurement applications in tightly controlled, demanding research and production areas where it is crucial to monitor and control air contamination levels and precise environmental conditions. Customers include:

- life science and food industry end users
- hi-tech end users
- cleanroom contractors and suppliers
- general chamber & incubator manufacturers
- demanding chamber manufacturers

Building Automation

The Building Automation segment caters for applications focused on the control and optimization of indoor heating, ventilating and air conditioning (HVAC) systems in buildings. Energy optimization and indoor air quality are the driving forces for customers. Customers include:

- building automation system (BAS) original equipment manufacturers
- BAS integrators and contractors
- BAS distribution channel
- facility HVAC management

Targeted Industrial Applications

The Targeted Industrial Applications segment caters for customers in selected demanding applications in industrial processes and equipment manufacturing. Customers include:

- compressed air and drying
- industrial ovens and heat treatment processes
- process inlet air monitoring
- insulation of high voltage equipment
- lubrication and hydraulic systems

Vaisala's matrix organization also contains group-wide functions for Services, Products and Technology, Operations, Group Marketing and Sales, Finance, Human Resources, Communications, IT Development, Group Business Development and Strategic Research. The sales functions are within the business areas. To ensure an efficient way of working and two-way information sharing in the matrix model, the organization includes several dotted line roles that link the business areas and functions together.

Offices and production sites

Finland

Vaisala Oyj
Head office and
Operations

Sweden

Vaisala Oyj
Malmö Office

Vaisala Oyj
Stockholm Office

France

Vaisala SAS
Paris Office

United Kingdom

Vaisala Ltd
Birmingham Office

Vaisala Ltd
Newmarket Office

United States

Vaisala Inc.
Boston Office

Vaisala Inc.
Boulder Operations

Vaisala Inc.
Tucson Operations

Vaisala Inc.
Minneapolis
Operations

Vaisala Inc.
Westford Operations

Vaisala Inc.
Houston Office

Vaisala Inc.
San Jose Office

Canada

Vaisala Inc.
Canada Office

Germany

Vaisala GmbH
Hamburg Office

Vaisala GmbH
Uhingen Office

Vaisala GmbH
Bonn Office

India

Vaisala Oyj
Liaison Office
New Delhi

Japan

Vaisala KK
Tokyo Office

China

Vaisala China Ltd.
Beijing Office

Vaisala Shanghai

Vaisala China Ltd.
Shenzhen Branch

Malaysia

Vaisala Oyj
Regional Office
Malaysia

Australia

Vaisala Pty Ltd
Melbourne Office

United Arab

Emirates
Vaisala Oyj
Regional Office
United Arab
Emirates



The way we do business

Corporate Responsibility in Vaisala is managed by various guiding principles. The main guiding principles are Vaisala's Code of conduct, Environmental policy, Anti-corruption policy and Community outreach policy, together with a number of practical guidelines as well as quality and environmental standards.

However, it is Vaisala's deep founded value system, which has embraced the Vaisala culture for more than 70 years that is the foundation for our work ethic.

Vaisala's values

Our way of operating is innovative and driven by the following six values. They are the basis of all our activities, both within Vaisala and with our partners and customers.

Customer focus

We seek out and solve customer problems. We want to be proactive with our customers, to understand their needs now and in the future, and to develop solutions for those needs. Our customer base covers the whole world.

Science-based innovation

Our approach to our customers' problems is systematic, and based on sound scientific knowledge. In our application of science, we favor creativity and innovation. Our focus is always on the high quality of our workmanship.

Goal orientation

We participate in the planning and setting of personal and Group-wide goals. Personal entrepreneurship, participation and commitment to shared goals are vital to our success.

Personal growth

We work in a knowledge-intensive business where the fastest learner thrives. To be competitive, we are

committed to continually improving our abilities. Continuous learning benefits both ourselves and our organization. We contribute to an environment that provides the support, encouragement and motivation for each of us to reach our full potential.

Focus on greater good

We prioritize total optimization over suboptimization in our actions among ourselves and our customers. Our emphasis is on shared resources, group benefit and mutual cooperation.

Fair play

We demonstrate integrity in what we do. We only promise what we can deliver, and interact honestly among ourselves, our partners and customers. The confidence and trust we enjoy is valuable to us, and we do not want to risk it.



Code of conduct

To further promote and ensure responsible business practices, a Code of conduct was implemented in 2008. This code translates our values and responsibility into actions taken by our staff every day. The code highlights important issues such as the environmental aspects of our operations, anti-corruption and anti-trust legislation, human rights issues, workplace behavior and safety.

The Code of conduct was introduced to the organization through a web learning tool. All members of staff were required to complete the online training module and it is also part of the orientation program for new employees. The module has proven to be a popular and efficient method for training staff in ethical conduct and corporate responsibility. In early 2009, 93% of the total Vaisala personnel had completed the module, including 97 % of our staff at Vantaa Head office.

Vaisala's Code of conduct

1. We comply with national laws and regulations

Vaisala Oyj ("Vaisala") and its subsidiaries, offices and agencies will obey and abide by any national laws in their respective countries, whether Vaisala is stationed therein or doing business in that country. Vaisala respects local legislation and regulations, whether they are business related or other. Where differences exist between local laws, regulations, customs, norms or this code – Vaisala strives to apply which ever sets the highest standard.

2. We encourage fair and lively competition in the marketplace

Vaisala is a strong supporter of fair competition worldwide - irrespective of any national or international competition regulations. Vaisala does itself comply with any and all regulations concerning competition and encourages its competitors and associates to do the same. Healthy competition in the marketplace is necessary for the development of the whole industry, thus benefiting customers and shareholders.

3. We respect the environment and treat it with care

Vaisala takes environmental matters to heart and attends to them with care. Vaisala wants to be involved in establishing a sound foundation for better quality living, environmental protection and conservation, safety and productivity. Vaisala complies with generally accepted international environmental standards and often exceeds legal requirements. Vaisala strives to continually improve environmental performance of its products and is committed to reduce the company's impact on the environment. All employees are responsible for Vaisala's environmental performance.

4. We treat our suppliers and customers fairly

Vaisala strives for long term partnerships both with its suppliers as well as customers. We give our partners a good insight into our demand forecast-

ing, constructive performance feedback as well as our support and help. We treat our suppliers and customers in a professional and ethical manner and follow through our obligations and agreements promptly. We want to share our success with our collaborators and create benefits for all parties.

5. We collaborate with subcontractors and suppliers that meet international standards in ethics and sustainable development

Vaisala pays special attention to the ethical and environmental issues when validating suppliers. We monitor and encourage our current suppliers to comply with the requirements of international human rights and environmental laws and practices.

6. We treat our employees with respect and guarantee a safe working environment

Vaisala's central value is 'fair play' which shows in all our undertakings, whether it is towards our staff, suppliers or our customers. Beyond this, Vaisala respects the employees' right to peaceful assembly, freedom of association, collective bargaining and a safe working environment. Vaisala does not accept any child, bonded or forced labor in any parts of its supply chain. Vaisala ensures that all of its safety measures are up to date and is committed to continuous improvement.

7. We encourage professional and personal growth of our employees

Vaisala invests continuously in the professional and personal learning and growth of its employees in order to realize their full potential. This is achieved by emphasizing on-the-job learning supported by internal and external personal development programs. Furthermore, Vaisala encourages its employees to actively manage their work-life balance as this has been recognized to improve work capacity and well-being at work.

8. We contribute to the communities we live in

Vaisala believes in a world where environmental observations improve daily life. As the global leader in environmental measurement and active member of society, Vaisala has a responsibility to act as a good corporate citizen. Vaisala's overall objective for Community Outreach is to support organizations and projects that advance environmental awareness and science education. All our outreach activities should be in line with Vaisala's values and resonate well with environmental issues such as climate, weather, environmental measurement, industrial impact and environmental sciences.

9. We respect human rights and we retain high moral standards in whatever we do

People should be treated equally and fairly irrespective of ethnic origin, nationality, ancestry, religion or creed, political views, gender, sexual orientation, marital status, medical condition, disability or age. Vaisala respects these rights and condemns discrimination and intolerance of all kinds. Vaisala endorses the United Nations' Universal Declaration of Human Rights, The International Labour Organization's Declaration on Fundamental Principles and Rights at Work, The OECD Guidelines for



Multinational Enterprises, and the Ten Principles of Global Compact. Furthermore, Vaisala recognizes the value of diversity, teamwork, fair compensation, innovation, health and safety at the work place, environmental awareness, and community involvement and strives to contribute in these fields for the benefit of the company and its stakeholders.

10. We condemn all corruption

Vaisala will neither accept nor tolerate any form of corruption. Vaisala has a strict anti-corruption policy which, if not followed, will result in disciplinary actions against its violator and any accomplices. Vaisala endorses the UN Global Compact and thus pledges to work against corruption in all its forms.

Employees must not use a contractor, agent, consultant or other third party to perform any act which conflicts with Vaisala's Code of Conduct. We will seek to influence our suppliers and collaborators to adopt similar principles, if they do not already do so.

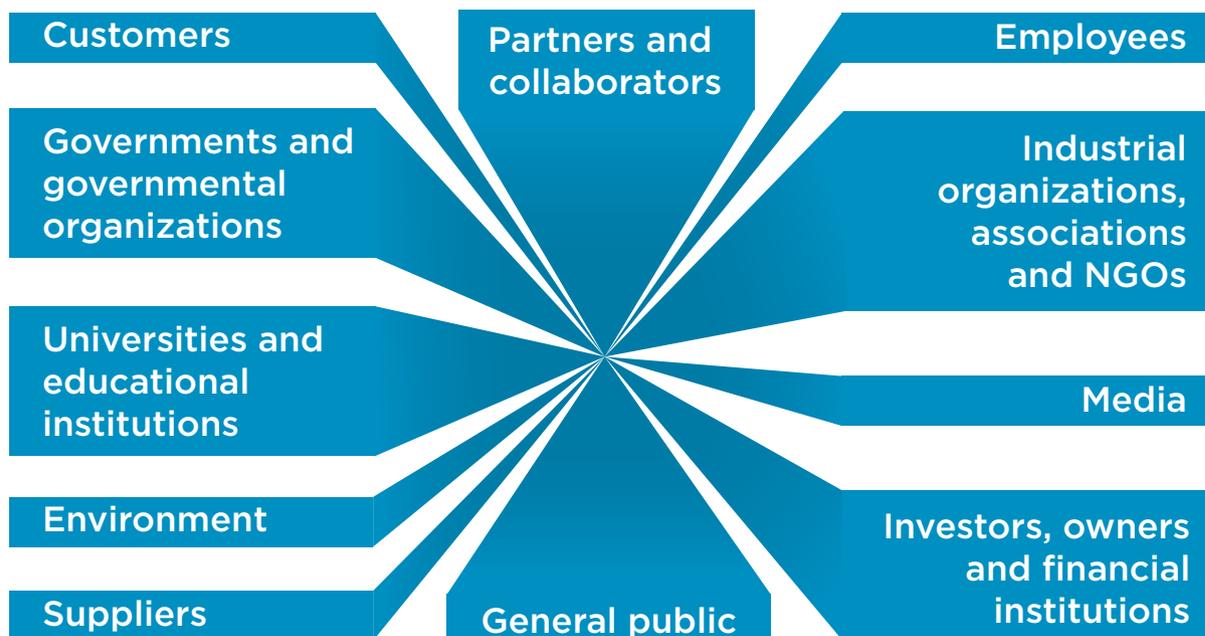
Regulatory compliance

We believe that responsible business conduct is based on fairness and integrity. Vaisala complies with all national laws and regulations, and does not respond to suspicious business proposals. We continuously follow up on changes in legislation and keep our staff informed through internal communication, such as the company intranet.

In 2008, there were no identified incidents, complaints or sanctions by authorities on corruption, anti-competitive behavior, anti-trust or monopoly practices or any other breach of legislation or regulations. Furthermore, there were no reported concerns or breaches of human rights, labor rights, or environmental legislation in the adjacent supply chain.

Our stakeholders

Vaisala recognizes that it has a responsibility towards its stakeholders, the people and organizations affected by our actions. We aim to engage our stakeholders in dialogue to benefit all parties, whether it is to improve our service and products, help out in communities we work in, or support our partners. Our overarching goal is to improve daily lives through accurate environmental measurements. Our stakeholders expect us to provide them with the most accurate measurement tools and data available.



Customers

Vaisala's major customer groups are:

- Meteorological and hydrological services
- Industrial companies
- Airport authorities
- Defense forces
- Road organizations
- Cleanrooms and chambers
- Building automation
- Wind energy

Partners and collaborators

Research and development activities are a key prerequisite for the success of Vaisala. We place a special emphasis on the continuous development of our expertise. In addition to our own internal research activities, we actively cooperate with customers, universities and research institutes.

Environment

The environment is not only at the core of our business, it is also an important stakeholder for us. We have always regarded the natural environment as something captivating and something we need to care for. As our products are directly linked with natural phenomena, we want to make their negative impact on nature as small as possible. By constantly improving our designs, we aim to create products that will be as environmentally neutral as possible, yet achieve superior results.

Employees

Vaisala employs over 1,200 professionals and their wellbeing is important to us. Our goal is a work environment that encourages innovation and offers the opportunity for long-term professional development. The corporate culture at Vaisala emphasizes reasonable hours and workloads. Furthermore, we believe that success comes from the work of enthusiastic employees who take care of their own wellbeing. We regularly monitor our staff for perceptions on their work. The results have shown us that not only are the members of our staff motivated by their assignments, but

Vaisala's scientific collaborators

- American Meteorological Society
- The Association of the Hydro-Meteorological Equipment Industry
- CO-LABS
- Colorado State University
- The Danish Meteorological Institute
- Deutscher Wetterdienst
- European Corporation for Lightning Detection
- European Meteorological Society
- Environmental Prediction in Canadian Cities (EPiCC) research consortium
- Finnish Meteorological Institute
- Florida State University
- Helsinki University of Technology
- National Center for Atmospheric Research
- National Oceanic and Atmospheric Administration
- The Network of European Meteorological Services
- NSF Engineering Research Center for Collaborative Adaptive Sensing of the Atmosphere (CASA)
- UK Met Office
- University of Oklahoma School of Meteorology
- University of Massachusetts
- VTT Technical Research Center of Finland
- The Weather Coalition
- World Meteorological Organization

that they are proud to work for Vaisala and feel that their work is meaningful and rewarding. We are proud of these results and want to develop the company, embracing our employees' commitment.

Suppliers

It is important that we have a good relationship with our suppliers and that they preserve our reputation. Vaisala seeks long-term partnerships with its suppliers and wants to build mutual trust between its partners. We do this by giving our partners a good insight into our demand forecasting, constructive performance feedback as well as our support and help. In return, we expect our suppliers to respect our values and vision, and enable our commitment to quality and sustainable production.

Governments and governmental organizations

Various government bodies such as meteorological institutes are substantial customers and collaborators for Vaisala.

Universities and research bodies

Vaisala collaborates closely with a number of meteorological authorities and research bodies around the world, such as the Finnish Meteorological Institute, Deutscher Wetterdienst in Germany, the National Center for Atmospheric Research and the National Oceanic and Atmospheric Administration in the United States, and the International Civil Aviation Organization. Vaisala is also an active member of the UN World Meteorological Organization, WMO.

Vaisala grants research scholarships to universities, students and researchers in both the United States and Finland. In 2008, Vaisala was involved in many research and development projects with universities and other providers of higher education.

Investors, owners and financial institutions

Vaisala Oyj is a publicly listed company on the NASDAQ OMX Helsinki. The largest individual owner in terms of votes and unlisted K-shares is the Finnish Foundation of Letters and Science (Suomen tiedekatemia). The founda-

tion donates its earnings from Vaisala shares to the Yrjö, Vilho and Kalle Väisälä Fund, which supports research in natural sciences. Other large shareholders include descendants of founder Professor Vilho Väisälä, private households, private companies, financial and insurance companies and non-profit organizations. Foreign ownership amounts to 0.89 % of share capital.

Media

The media is an important stakeholder for Vaisala. Our goal is to enhance the communication of Vaisala's leading market position in environmental measurement with clear messages and by maximizing our share of voice, generating positive coverage and establishing relevant media relationships.

As a publicly listed company, Vaisala is responsible for timely, accurate and transparent communications to all its stakeholders.

Vaisala's stakeholders within the media include:

- Local, regional and global media
- News agencies
- Dailies
- Business, financial and trade media
- TV and radio companies
- Online media

Industrial organizations, associations and NGOs

Vaisala is a member of the Federation of Finnish Technology Industries, and Vaisala's CEO Kjell Forsén is a member of the Federation's Board of Directors. Vaisala also participates actively in the undertakings of the Federation's different working groups, such as the working group for environmental issues that observes environmentally relevant legislation and promotes cooperation between authorities, companies and environmental experts. This activity also provides Vaisala with new insights on how to use environmental perspectives in improving the company's competitiveness.

Vaisala is a stakeholder in CLEEN Ltd, the strategic centre for science, technology and innovation of the Finnish



energy and environment cluster, founded in 2008. The centre's objective is to facilitate the development of innovation and globally competitive technologies and service products through its stakeholders. CLEEN's shareholders include about 40 leading Finnish companies, among them ABB, Metso, Wärtsilä, Fortum, Stora Enso, and Neste Oil. Finnish universities and research institutions are also involved in the project. The main areas of research at CLEEN include carbon-neutral energy production, sustainable fuels, efficient energy use, resource-efficient production technologies and services, recycling of materials and waste management, and assessment of environmental efficiency.

Vaisala is a Regular Corporation & Institutional Member of the American Meteorological Society and

is a sponsor of the AMS' Freshman and Undergraduate Scholarship Program.

General public

The general public is dependent on reliable weather forecasts. Farmers, sailors, motorists and event organizers are just a few examples of people who rely on weather forecasts to support their activities. Vaisala is indirectly providing the general public with accurate and reliable weather data through meteorological institutes. Many other Vaisala products also benefit the general public, although often in ways that are unrecognized. For example, Vaisala's carbon dioxide transmitters are used to monitor indoor air quality in buildings, and help in keeping indoor air fresh.

Economic responsibility

Sound financial development and performance is the foundation of a sustainable company. For Vaisala, economic responsibility means creating added value to the company's stakeholders, managing finances and resources prudently and efficiently, and securing long-term growth and financial stability.



Our ability to compete in a developing market strengthens our financial sustainability. As customer demand for environmentally sustainable products, energy efficiency, and increased measuring accuracy has risen, we have stepped up efforts to develop products and solutions with these attributes. Furthermore, the service and solutions business is becoming increasingly important for our stakeholders and we are continuously designing new and improved services for these customers.

Vaisala is listed on the NASDAQ OMX Helsinki on the Mid Cap list under IT, Electronic Equipment & Instruments sector.

Financial overview of 2008

Despite the challenges in the world economy, year 2008 was very rewarding for Vaisala. Focused development work and maintaining our competitiveness has helped the company to retain its strong market shares. However, Vaisala's customers, especially in the weather businesses, are often publicly funded and thus may react to changes in the world economy in a slower and more moderate way than businesses more sensitive to economic fluctuations.

Vaisala Group's net sales increased by 8.2 percent on the comparison year and totaled EUR 242.5 million (EUR 224.1 in 2007, EUR 220.8 million in 2006). Operating profit for the financial year was EUR 38.0 million (35.3), or 15.7 percent of net sales. Profit before taxes was 16.0 percent of net sales, EUR 38.9 million, up by 5.1 percent. Net profit for the financial year was EUR 28.4 million (25.8), up by 10.0 percent from the previous year. Vaisala's consolidated liquid assets totaled EUR 103.4 million (EUR, 99.2 in 2007, EUR 87.3 million in 2006). Gross capital expenditure totaled EUR 12.2 million (7.3 in 2007; 20.4 in 2006).

Growth was largest in the Asia-Pacific region where net sales increased by 27.8 percent on the previous year to EUR 76.9 million (60.2). Net sales in Europe increased by 5.0 percent to EUR 84.8 million (80.7) and in Africa, South and Central America by 39.0 percent to EUR 13.9 (10.0) million. Sales in North America declined by 8.6 percent to EUR 66.8 (73.2) million.

Cost-intensive development projects continued and this shows in the overall group results. The development of exchange rates also had a negative impact, especially the weakening of the US dollar by approximately 7 percent. In the fourth quarter, Vaisala announced a new market segment based strategy and redesigned its organization to support strategy execution.

In 2008 Vaisala was selected by the Cleantech Group™, LLC to join its Cleantech Index (CTIUS) of public clean technology companies. CTIUS is a stock market index intended to reflect the surging global demand for cleantech products and services.

Cleantech products are defined as knowledge-based products and services that add economic value by reducing cost, raising productivity and/or product performance while reducing resource consumption and their negative impact on the environment and public health. The Cleantech Index is comprised of stocks of publicly traded companies worldwide that are leaders in cleantech innovation and commercial deployment across a broad range of industry sectors: from alternative energy and energy efficiency to advanced materials, clean air & water, ecofriendly agriculture/nutrition, clean manufacturing, and more.

Only a few companies globally have qualified for the Index so far, of them approximately half are non-US based. The companies must meet 18 screening criteria just to be shortlisted for selection - including profitability, growth, environmental impact, industry leadership, intellectual property, strategy, management quality, liquidity, and more.

cleantech.com/index

Figures

EUR Million	2005	2006	2007	2008
Net sales	197.9	220.8	224.1	242.5
Operating profit	31.5	38.6	35.3	38
R&D expenditure % of net sales	10.0%	9.3%	10.5%	10.1%
Income taxes paid	9.2	11.6	11.2	10.5
Payroll & benefits	51.9	57.3	57.2	59.7
Pension expenses, net	17.6	12.3	12.3	15.5
Total	69.4	69.6	69.5	75.2

Gross taxes by geographical area

EUR 1000	2005	2006	2007	2008
Finland	5 343	7 331	7 167	9 296
Other Europe	481	621	829	594
North America	3 525	2 664	1 086	662
Asia and Australia	718	1 285	1 505	1 660
	10 067	11 901	10 587	12 212

Financial ratios

	2005	2006	2007	2008
Return on equity (ROE)	17.5%	16.4%	14.9%	15.5%
Return on investment (ROI)	17.5%	16.4%	15.1%	15.5%
Solvency ratio	81%	81%	83%	82%
Earnings per share	1.42	1.46	1.42	1.56

Financial assistance from government

EUR 1000	2005	2006	2007	2008
Investment grants, R&D grants or other grants	1 312.0	752.0	893.6	679.2

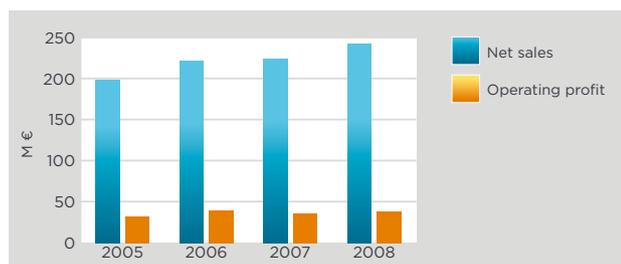
Investment in research and development in the financial year totaled EUR 24.6 million (EUR, 23.5 in 2007, EUR 20.6 million in 2006), representing 10.1 percent of the Group's net sales.

Salaries paid by the company are based on local collective and individual agreements, individual performance and the demand level of each job. The base salaries are supplemented by results-based bonus systems, which cover all Vaisala personnel. The total sum of salaries paid in 2008 was EUR 59.7 million (EUR 57.2 million in 2007).

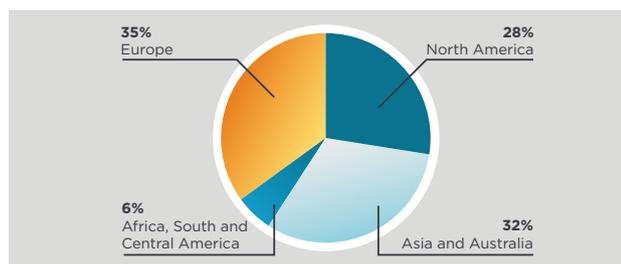
Vaisala has two incentive plans; one based on the development of sales and profitability and covering all employees, and another three-year plan based on the development of profitability and covering key employees.

Research and development grants from Finnish governmental organizations amounted to EUR 679,200.

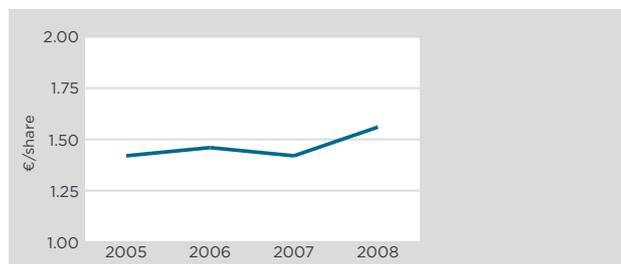
Net sales and operating profit



Net sales by market



Earnings per share



Financial risks

Vaisala has a risk management policy, approved by the Board of Directors, covering the strategic, operational and financial risks relating to the company. Vaisala's Strategic Management Group regularly assesses risk management policies, and the scope, adequacy and focus areas of related practices. The policy aims at ensuring the safety of personnel and the company's operations and products and the continuity of operations. The policy also covers intellectual capital, corporate image and brand protection. An appropriate and up-to-date risk concept is integrated in decision-making.

The usual risks related to international business affect Vaisala's operating environment. The most significant of these are risks relating to changes in the global economy and hence in purchasing activities, currency exchange rates (with particular respect to the U.S. dollar), supply network management and production activities. Vaisala uses subcontractors, thus significant changes in subcontractor relations, activities or operating environment may have an impact on Vaisala's business. Vaisala monitors these risks and prepares for them in accordance with the company's risk management policy.

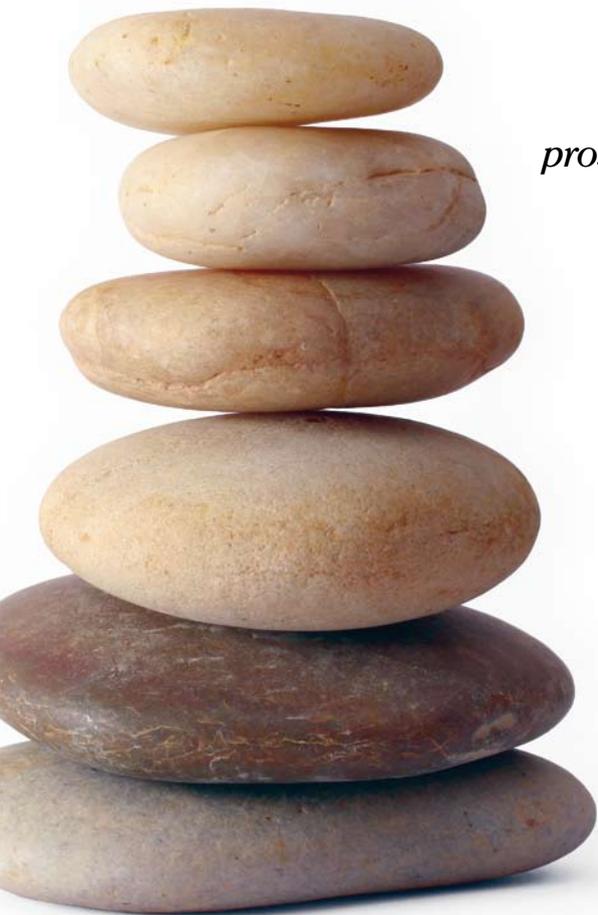
The near term risks and uncertainties are estimated to relate to changes in the global economy, currency exchange rates, and to changes in purchasing or investment behavior. Due to the uncertainty of the financial markets, supplier related risks have slightly increased during the review period.

Significant changes in subcontractor relations, activities or operating environment may have a negative impact on Vaisala's business. Vaisala monitors these risks and prepares for them in accordance with the Company's risk management policy.

We are currently implementing significant development projects and organizational changes, which lay the foundation for successful execution of Vaisala's new strategy. A new Group-wide enterprise resource planning system is also under development. These efforts may constitute a short-term risk regarding Vaisala's net sales and result.

Social responsibility

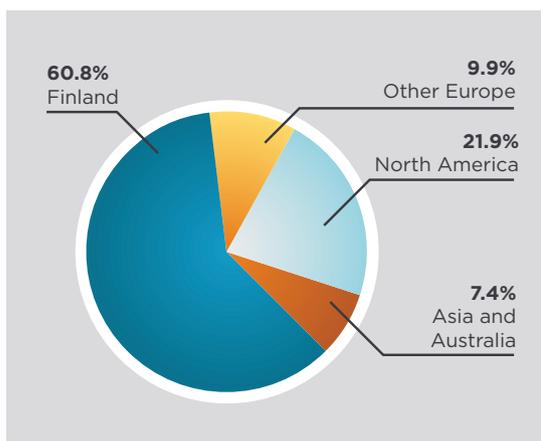
We value our people and their talent. We strive to work in Vaisala's Fair play spirit and encourage our employees to meet their full potential. Vaisala is a prospering company, and our growth continues to create new opportunities for our staff.



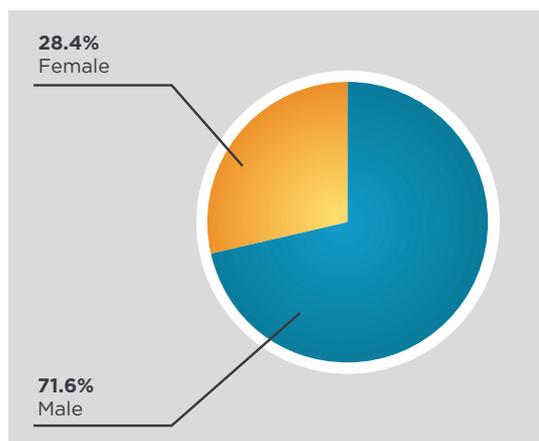
Vaisala is a well known high-tech employer in Finland and is highly regarded among science students, universities and researchers. We aim to retain and improve our good reputation among applicants and remain a leading employer in the high-tech industry when competing for both new and experienced talents.

Workforce

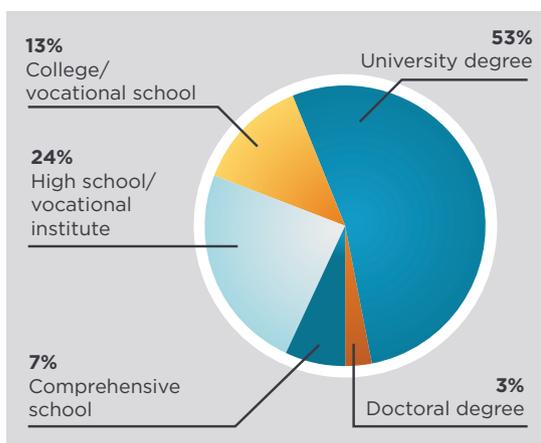
Geographical distribution



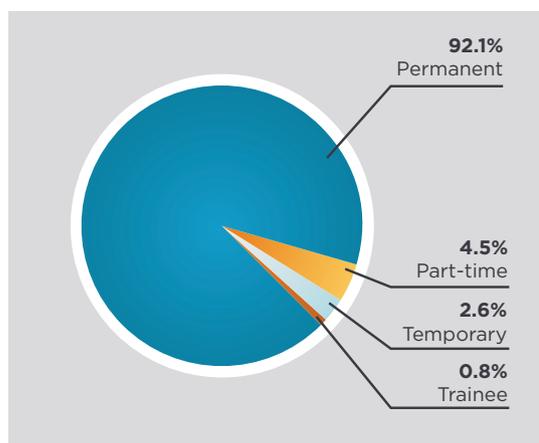
Gender distribution



Level of education



Type of employment



	2005	2006	2007	2008
Employees at end of period	1042	1077	1134	1208
Finland	61.8%	59.7%	60.6%	60.8%
Other Europe	11.6%	10.6%	10.2%	9.9%
North America	21.7%	23.7%	22.5%	21.9%
Asia and Australia	4.9%	5.9%	6.7%	7.4%
Women	31.0%	29.0%	29.5%	28.4%
Men	69.0%	71.0%	70.5%	71.6%
R&D staff	18.9%	19.0%	21.4%	20.0%

Our employees matter

Vaisala strives to be the best in the field in all its endeavors. This holds true also with Vaisala's employer image. We want to be acknowledged as a great company to work for. Our employees seem to think we are, as our average retention time is just shy of a decade. This kind of long-term commitment has provided us with extremely competent staff that is dedicated to develop superior technology and long-term customer relationships. Furthermore, we balance this enduring know-how by engaging students, graduates, research partners and other technical experts in Vaisala projects. Consequently, we get new and innovative ideas also from our collaborators, which are then further developed together with our research & development team.

Recruitment, retention and turnover

Vaisala's success is dependent on professional and capable staff with an innovative mindset and curiosity to solve problems. In 2008, we recruited 249 new members of staff and our staff count at the end of the reporting period was 1208 (1134, 2007). Attrition in 2008 was 154 employees of which 41 % were on a temporary contract. The average retention rate in 2008 was 9.1 years, down from 9.9 years in 2007 due to active recruitment of new staff as well as retirement of many long-standing employees.

Vaisala recognizes the Federation of Finnish Technology Industries as its trade union and abides by its collective agreements for Vaisala's employees in Finland. Offices in other countries apply local regulations and customs.

Vaisala Inc. is an Equal Opportunity Employer (EOE). Qualified applicants are considered for employment without regard to age, race, color, religion, sex, national origin, sexual orientation, disability, or veteran status. If an applicant needs assistance or an accommodation during the application process because of a disability, it is available upon request. The company is pleased to provide such assistance, and no applicant will be penalized as a result of such a request.

Staff turnover 2008

		of which temporary	Turnover rate	Turnover rate, permanent employees
Recruitment	+249 persons	56		
Turnover	-154 persons	63	12.7%*	7.2%**

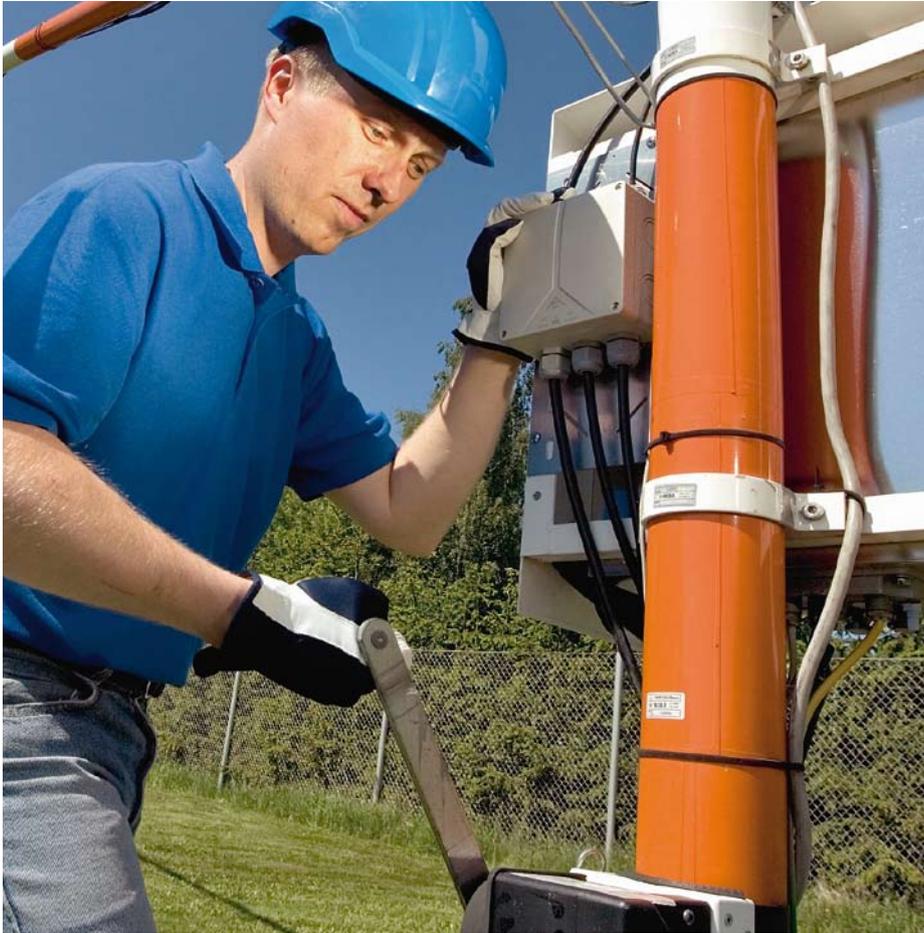
Turnover by age group	- 19	20-29	30-39	40-49	50-59	60-
	15.6%	31.8%	20.8%	11.7%	11.0%	9.1%

Turnover by region	Finland	Other Europe	North America	Asia and Australia
	101	14	4	35

Turnover by gender	males	females
	98	56

*) number of employees leaving the company in the reporting period divided by total number of employees at the end of the period

***) number of permanent employees leaving the company in the reporting period divided by total number of permanent employees at the end of the period



Women in management	17.6%
Employees in production	27.0%
Retention rate, average	9.1 years
Illness rate within production (Vantaa only)	2.58%

Staff turnover 2005 - 2008

	2005	2006	2007	2008
Employees +/-	+148/-209	+178/-154	+152/-97	+249/-154
Turnover *	20.5%	14.3%	8.6%	12.7%
Turnover, permanent employees	7.6%	9.3%	5.6%	7.2%

**)The unusually high turnover rate in 2005 was due to reorganization of production.*

Case: Vaisala Giant Leap

Vaisala Giant Leap provides students with valuable work experience

Vaisala launched the Vaisala Giant Leap internship program in 2008 for university students with diverse backgrounds.

The objective of the Vaisala Giant Leap internship program is to provide students with valuable and meaningful work experience and acquaint them with Vaisala. During their time at Vaisala, students are assigned to real-life project challenges where they can make the most out of what they have learned during their studies.

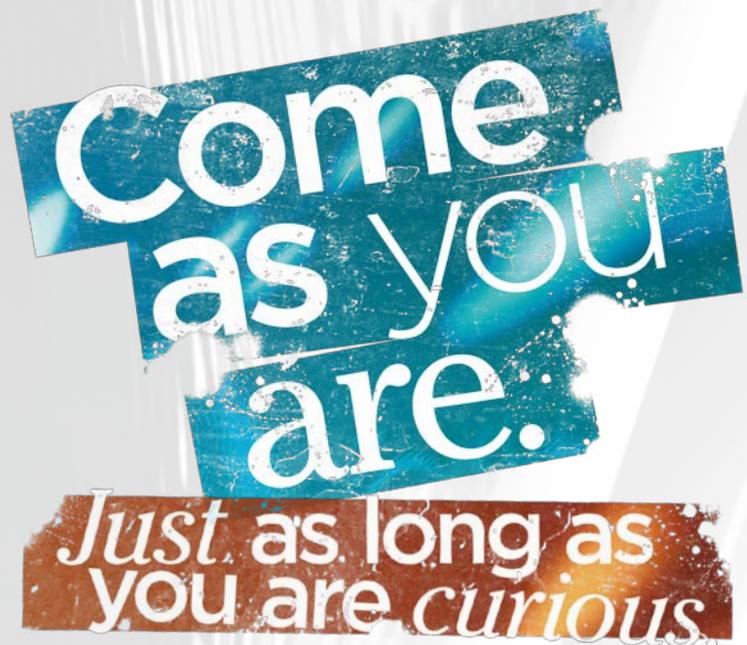
In 2008, the program attracted 370 applications. After a recruitment event held at Vaisala's premises, 23 students were selected for an internship period of 3 months during summer 2008. The feedback from the students as well as their supervisors at Vaisala was extremely positive. For many, the summer internship was the first time they had dealt with a topic that had a direct link to their field of studies. In turn, many supervisors were very pleased with the enthusiasm and fresh ideas the students brought to the teams. Some students were able to continue their employment with Vaisala after the program had finished.

Vaisala offers students a competitive salary that is determined by the student's progress in studies. In Finland, other benefits include health care, insurance and subsidized lunch, as well as one paid extra day off each month.

As the Giant Leap program was a great success in many respects, Vaisala aims to organize the program annually. This will further strengthen Vaisala's position as a preferred employer among students and continue to provide them with valuable opportunities for professional learning and growth.

Vaisala Giant Leap

- Internship program for university students
- Real project experience ranging from Sales to R&D
- 23 participants in 2008



**Come
as you
are.**

**Just as long as
you are curious.**

Staff survey

Vaisala human resources regularly measure staff satisfaction, to keep abreast any changes or trends in our staff's attitudes. Regular staff surveys have been carried out since 1995, and as a web-based survey since 2002. Feedback obtained from the survey is used to improve workplace processes and systems throughout the organization. The survey is conducted by a contracted research company to guarantee the confidentiality of the responses. The response rate in 2008 was 75 percent.

The most important phase in the survey process is group meetings. The reports and team discussions held each year provide valuable feedback to team-leaders and support team development. The 2008 survey results show that our employees are proud to work for Vaisala and they find their work meaningful.

Development discussions

A planning and development discussion is a prepared meeting held at regular intervals between a manager and an employee to discuss the employee's work duties and situation, objectives, performance and personal development. Development discussions are successful if topics important to both parties are covered and there is enough uninterrupted time for discussion.

Planning and development discussions form an integral part of Vaisala's management system. In practice, two types of discussions are held, performance/target review and development discussion. It is our objective that all Vaisala employees would have regular development discussions with their supervisor. In 2008, 80 percent of staff that answered the staff survey reported that they had had development discussions during the last 12 months.

Development discussions

	2006	2007	2008
Rate of total staff that has had a development discussion with supervisor during the last 12 months	74%	79%	80%

Top 5 highest scores on the staff survey 2008 (scoring 1 - 5 where 5 is the highest)

1. I am proud to work for Vaisala 3.93
2. My supervisor's positive attitude to initiatives and ideas 3.92
3. I feel that my work is meaningful 3.88
4. I know the objectives of my team / work group 3.86
5. I feel that my personal resources are sufficient to carry out my tasks 3.84

Safety at work

Vaisala is responsible for the health and safety of its staff. We believe that all accidents are avoidable if necessary precautions have been made. Vaisala has trained health and safety supervisors in all its production and service facilities and strictly follows local regulations on health and safety issues. Furthermore, all supervisors are trained in Health & Safety legislation and responsibilities. A health and safety committee convenes every quarter at the Vantaa site. This committee is formed by nine representatives altogether; five workers, three clerical staff representatives and one employer representative. The committee's responsibilities include monitoring and developing the work environment in order to minimize the risk for work related accidents and illnesses.

Regular health & safety training is provided for all employees that require it in their work. Both employees and managers are required to pay close attention to identifying potential hazards in the workplace.

Injury and accident statistics are prudently monitored and work at Vaisala is generally low-risk work. Activities that have a higher level of risk include work near live traffic, work on construction sites, railways or airports, working at height, working at night or in poor visibility, and working with ladders, drills, saws, solders and other tools. Risk assessments have been carried out for all working environments at Vaisala.

Injuries recorded in 2008 totaled 25 (24 in Finland, one in the U.S.). We define workplace injury as an incident after which an employee needs medical attention, whether or not it will result in sick leave. Most work related injuries sustained in the Vantaa office are strains, small wounds, bumps and bruises. About half of the injuries are recorded on trips either to or from work and are caused mostly by slips due to icy pathways in the winter. Vaisala Inc. reported one injury in 2008, with no lost days and with the employee returning to full duty. There were no work related fatalities in 2008.

Absenteeism varies somewhat between offices. Offices in Asia and Australia report the lowest absentee rates, less than one percent of scheduled working hours. The absentee rate in Finland was 3.1 % and between 1.7 – 2.0 % in the other European offices. Vaisala employs a paid time off (PTO) scheme in its North American offices and consequently does not monitor short time absence in the same manner as in other offices. There were no days lost to industrial action in 2008.

Injuries occurred at Vantaa site

	2004	2005	2006	2007	2008
Injuries. total	24	17	18	18	24
At work	17	9	7	10	13
On way to or from work	7	8	11	8	11
Lost days due to injury	39	16	118	68	127
Accident Frequency Rate (AFR)	21	15.5	16.3	16.1	20.5
Fatalities due to workplace injury (Group)	0	0	0	0	0

* Injuries/million working hours



Vaisala recognizes the importance of preventive work for both accidents and illnesses. Therefore, the company promotes healthy and active lifestyles by subsidizing sports and exercise expenses for a multitude of Vaisala sports clubs, offering onsite fitness facilities, encouraging people to cycle to work, and supporting a Vaisala team in the yearly Dragon boat race in Helsinki. Vaisala discourages smoking and organizes events that raise awareness about healthy lifestyle.

Staff benefits

In line with our efforts to reach our employees' full potential, we aim to foster a healthy and fair working environment. This also translates to fair and equal remuneration for staff, based on collective and individual contracts according

to the demand level of each job as well as individual performance. Furthermore, all employees are included in a bonus scheme that promotes growth in sales and profits. All staff benefits are dependent on local regulations, but Vaisala does not differentiate between permanent and temporary staff when it comes to benefits. Staff benefits vary between offices and are dependent on local Vaisala practices.

We believe a constructive and motivating work environment is built up on more than fair remuneration. We provide our employees with numerous additional benefits that aim to maintain a healthy and motivated staff. To name a few, Vaisala pays for its employees' health care and insures all members of staff, including for business travel and for sports in Vaisala's sports clubs. At Vantaa, employees can

also collect vouchers that pay for various forms of exercise in gyms and sports centers. Vaisala covers half of the vouchers' cost. Employees have access to a gym at the Vantaa Head office and facilities with showers and lockers to encourage cycling to work. Lunches are subsidized at the staff restaurant and the company provides employees with free coffee. We also promote training and lifelong learning of our employees, by providing means of developing their competencies. This is achieved by offering reimbursements for higher education courses, such as bachelor's or master's degrees, language courses, competence development courses, or in-house training.

Employees' health concerns are targeted by providing a part-time, onsite health care worker at Vantaa. Moreover, awareness campaigns e.g. against smoking, and staff training on health issues such as ergonomics in the workplace, are organized in most offices. Furthermore, Kela – The Finnish Social Insurance Institute, has recently enabled eligible Vaisala production staff to take part in the ASLAK rehabilitation program. The objective of this rehabilitation period is to secure and prolong health and working ability among employees who may have increased health consequences due to physical work. The program consists of four periods, each a week long organized by a professional rehabilitation centre.

In the United States, Vaisala provides a comprehensive benefits package for its U.S. based employees, including: medical, dental, travel, disability and life insurance programs, paid time off program, Tuition Reimbursement policy, Vaisala Fidelity 401(k) Plan, travel assistance, behavioral health assistance program, computer purchase plan and student scholarship gift program.

Work-life balance

Work-life balance means different things in different cultures. Our approach to the issue is designed to meet the needs of our employees around the world. Working patterns, activities and benefits vary by country according to local legislation, culture and common practices but can include:

- Flexible working hours
- Healthcare services and programs
- Employee assistance program
- Generous time-off plans
- Telecommuting
- Fitness facilities and support for sporting activities
- Social and cultural activities
- Taking advantage of local rules to provide access to tax efficient retirement saving, child care, computers, charitable giving

Our managers have a key role in supporting and enabling our employees to achieve both professional and personal goals. Being a flexible employer benefits both staff and the company. Moreover, our leadership development programs help to focus our managers in promoting innovative and flexible solutions for job satisfaction, job performance and overall quality of life.

Professional development at Vaisala

At Vaisala we are convinced that companies and people, who are able to learn and develop fastest, are the ones who will succeed in the future. Our success is dependent upon learning and development that strengthen competencies required in the future. Therefore we strive to nourish our employees and provide them with interesting and mutually beneficial development schemes.

We are committed to continuous learning and development. Our employees are encouraged to pursue professional and personal growth opportunities in order to be qualified and competent as well as motivated and innovative. Good results arise from global cooperation and self-directed team work.

Capable personnel

Our competitive strength originates in our highly capable personnel. We continually focus on furthering the competence of our personnel in order to maintain our position as market leader. We encourage our employees to take the initiative to improve their capabilities, promoting an active approach to career planning. We have created great capacity-building opportunities by developing managerial skills and leadership in the company.

Training and development programs

We offer internal training programs in both personnel management and business skills. We also pursue versatile cooperation with universities and scientific communities. In addition, we support job rotation between our business units and offices in different countries.

Our professional development programs include:

- Vaisala Business Learning Program: A managerial training program tailored to current and future business area managers of Vaisala
- LEAD Program: A program in leadership development
- Mentoring
- Project management training
- Teamwork development programs
- Introduction to meteorology
- Education programs in hydrology and meteorology
- Customer service training
- Programs for business trainers
- Language and inter-cultural training

Staff training costs amounted to approximately EUR 1,400 per employee in 2008. Due to large variations in training days between staff members and shortcomings in the monitoring system, there is no precise statistic on the number or duration of training. At Vantaa, for instance, the approximation for 2008 was 19 hours training per employee, disregarding internal and language training. In UK offices, supervisors used a total of 89 hours for training and employees had 21 hours training. Other offices reported an average of one week of training per employee. Furthermore, Vaisala Inc. offers generous tuition reimbursements for bachelor's and master's degrees, and provides extensive internal training.

Training

EUR 1000	2005	2006	2007	2008
Total employee training cost	970	927	1 110	1 624
Average training cost per employee	0.91	0.87	1.00	1.38

Case: The LEAD program

Vaisala LEAD program

Leadership is about inspiration – of oneself and others. A great leader inspires people with confidence in themselves and makes them feel that he or she can really make a difference to the success of Vaisala – that their work has a meaning. A great leader lifts your vision to higher sights and raises your performance, helping you to realize your potential.

Vaisala's LEAD Development Program is a group wide learning program for our supervisors, managers and project managers. The pilot program started in April 2007 and has since then been introduced to dozens of managers.

The goals of the program are:

- Deepen the understanding of a manager's role in Vaisala
- Develop skills to lead self, lead individuals and lead managers
- Develop Vaisala management practices and systems
- Learn together and share experiences and best practices
- Integrate the development program to daily managerial work as much as possible

The program is composed of four modules lasting nine days altogether, and is usually completed within a year. The modules are Leading self, Performance management leadership, Leadership camp and Situational leadership.

By investing in leadership development Vaisala can gain better results, which in turn increases the value of the company. Good leaders will also help Vaisala retain and attract talented employees. By having good leaders Vaisala employees will achieve more challenging goals, get better results, be more satisfied in their work and feel better. When managerial work is valued along with professional expertise, there are more development opportunities for employees as well.



Society

Community outreach program

Vaisala believes in a world where environmental observations improve daily life. As the global leader in environmental measurement and an active member of society, Vaisala has a responsibility to act as a good corporate citizen.

Vaisala's overall objective for community outreach is to support organizations and projects that advance environmental awareness and science education. All our outreach activities should be in line with Vaisala's values and resonate well with environmental issues such as climate, weather, environmental measurement and environmental sciences.

In 2008, donations amounted to EUR 119,800 globally. Our objective in 2009 is to focus our donations and correlate them better with our community outreach policy. Vaisala does not donate funds to political parties, causes or campaigns.

Donations

EUR 1000	2005	2006	2007	2008
	88.2	108.5	195.5	119.8

Focus areas

Vaisala may provide charitable donations of product/s, funding or services to non-profit organizations through its Community outreach program, with a focus on the following main areas:

Science education

Students and their teachers, in contexts that promote natural sciences, innovation, and environmental awareness. Universities, scientists and researchers who help increase the understanding of environmental observations and their implications. Scholarships paid in the form of salary are outside the scope of this program.

Non-profit organizations working in environmental disaster prevention & recovery

Non-profit organizations that protect lives and assets - particularly in connection with the prevention of environmental hazards. Impartial and neutral humanitarian organizations that provide protection and assistance to people affected by disasters.

Current sponsorships

Following the guidelines set by Vaisala's Community outreach program, we sponsor a variety of different causes.

Professor Vilho Väisälä awards

Vaisala sponsors the bi-annual Professor Vilho Väisälä awards granted by the World Meteorological Organization. The awards amount to a value of USD 20,000.

Vilho, Yrjö and Kalle Väisälä Fund

In the 1960's, Professor Vilho Väisälä, the company's founder, donated Vaisala shares to the Finnish Academy of Science and Letters. These shares were used to establish the Vilho, Yrjö and Kalle Väisälä Fund. The Fund provides grants annually for research in mathematics, physics, geophysics, meteorology and astronomy. In 2008, the Fund granted a total of EUR 1.3 million to more than 100 researchers. The Fund's available grants are dependent on Vaisala's profits and thus the company has an economic responsibility towards the Fund.

Scholarships

Vaisala co-sponsors two research scholarships with the Finnish Meteorological Institute and the University of Helsinki, Professor David Schultz and Dr. Dmitri Moissev.

Vaisala sponsors a student for a two-year M.Sc. program in Meteorology at the University of Oklahoma. Furthermore, the company supports the research on radar meteorology at the Colorado State University. Vaisala also sponsors four fellowships, of which one is a doctoral fellowship and three are post-doctoral fellowships.

GLOBE

GLOBE (Global Learning and Observations to Benefit the Environment) is a worldwide primary and secondary school-based science program that teaches young people about weather observations and international scientific collaboration. The program covers some 20,000 schools in over 100 countries. Vaisala has recently supported the program by sponsoring GLOBE Games, a learning event for students, held in Central Finland in August 2008.

School weather stations

Vaisala donated 20 weather stations of EUR 20,000 per station, to Finnish schools in 2001. These weather stations were upgraded and calibrated in 2008.

Muikku research vessel

Vaisala sponsored the Muikku research vessel with a Vaisala Maritime Observation System MAWS410, a comprehensive automatic weather station for

professional use. The Vessel is used to research the Baltic Sea, Gulf of Finland and some inland waterways. Furthermore, Muikku is used for educational purposes by the University of Joensuu.

Local community

Vaisala organizes an annual contest at Kaivoksela elementary school, which is located close to Vaisala Head office in Vantaa. Topics and prizes are related to the environment; in 2008 the theme of a drawing contest was "Weather in the future".

Vaisala employees also carry out volunteer work in their local communities. For instance, many Vaisala people are very knowledgeable in certain areas, like weather phenomena or scientific research in various fields. Accordingly, many of our experts give lectures in schools and universities about their subjects of expertise.

Disaster relief

To help the reconstruction work in Sichuan, China after the 2008 earthquake, Vaisala donated four Automatic Weather Stations for monitoring and reporting of surface meteorological data and two stations for monitoring and reporting of surface weather data at heliports or temporary landing sites. Surface weather station observation data is an important element in making local and regional weather forecasts by the national meteorological services, as well as in increasing helicopter and aircraft landing and take-off safety.

The donation was channeled through the China Meteorological Administration (CMA), the public authority and expert in China for weather forecasting and warnings. The CMA was able to use the weather stations to extend the weather observation coverage in the disaster area and thus improve the targeted weather forecast in support of the relief operations.

UN ISDR – The Platform for the Promotion of Early Warning

In 2008, Vaisala sponsored the PPEW (Platform for the Promotion of Early Warning), which operates under the UN ISDR (International Strategy for Disaster Reduction). PPEW does valuable work in promoting the development



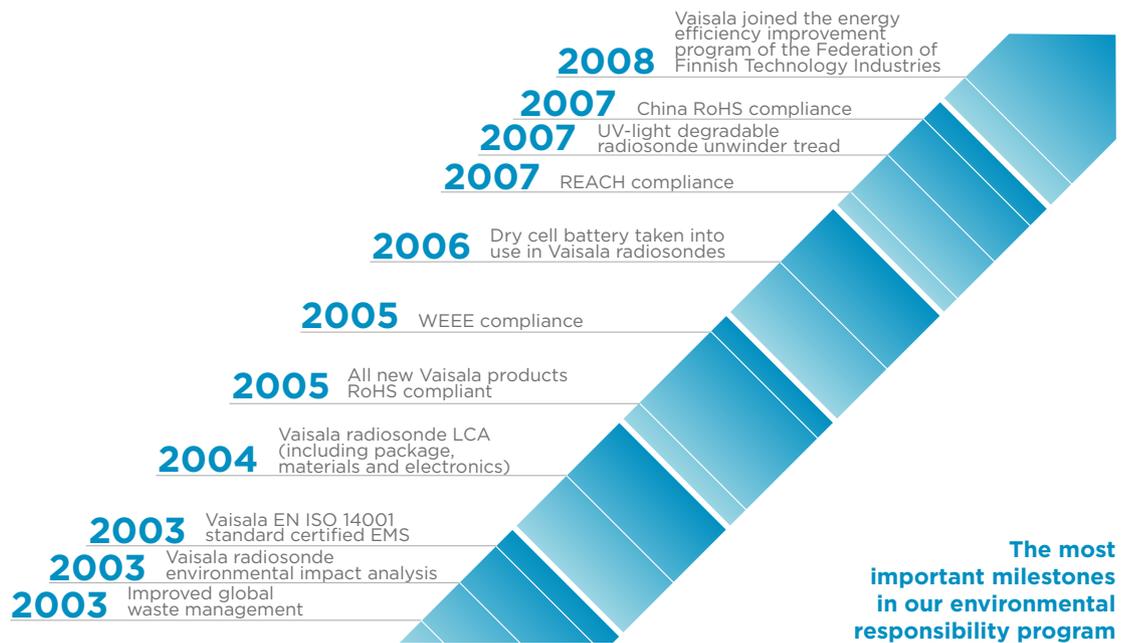
of early warning and preparedness systems. It is widely recognized that early warning systems can save lives for instance at times of earthquakes, tsunamis and other natural catastrophes.

Promoting awareness

Vaisala takes part in the United States' National Weather Service's Lightning Safety Awareness Week as well the local Thunderstorm Safety Awareness Week in Arizona. Vaisala sponsors events during these weeks and provides expert talks.

Environmental responsibility

At Vaisala, we consider the environment to be our key stakeholder. It is our duty to provide means for accurate measurements of both the natural and built environments. We consider environmental safeguarding in all its forms to be of great importance. That is why we do our best to gradually enhance our environmental performance on all levels.



Designing a better future

We want to be involved in establishing a sound foundation for a better quality of living, environmental measurement, safety and productivity. Accordingly, the main purpose of many of our products is to contribute to improving the quality of our environment. Our industrial products and solutions provide our customers with a means to improve their environmental performance, and our weather measurement systems increase safety in weather critical operations.

Given that our customers want to improve their environmental performance, it is also our responsibility to manufacture products as sustainably as possible. Vaisala has a certified SFS-EN ISO 14001 Environmental Management System (EMS) in all its manufacturing facilities. This globally acknowledged EMS standard is our foremost instrument in guaranteeing consistent and efficient environmental performance. Vaisala is working on becoming fully REACH (Registration, Evaluation, Authorisation and Restriction of Chemical substances) and RoHS (Restriction of Hazardous Substances and RoHS China) compliant and has started implementing RoHS before it was mandatory for its products. All new Vaisala products have been EU RoHS compliant since 2005. We are currently in the process of making all our products and components EU RoHS compliant and estimate that this work will be completed in 2010. For the time being, Vaisala's RoHS product category, Monitoring and Control Instruments, is exempt from RoHS requirements.

In 2008 Vaisala joined the energy efficiency improvement program of the Federation of Finnish Technology Industries and committed to cut down 9% of its energy use by 2016 from the 2008 levels. Vaisala is also a member of the Finnish Air Pollution Prevention Society.

Vaisala environmental policy

As a manufacturer of products for environmental measurement, we strive to continuously improve our products, services, and business processes with regard to their environmental impacts, the prevention of pollution and the reduction of waste.

Vaisala's products and business processes comply with the applicable environmental legislation and regulations, as well as other environmental guidelines to which Vaisala has subscribed.

In the area of new product development, we strive to minimize environmental impacts by managing the entire

product life-cycle from design to disposal. 'Designing for the environment' is one of our basic product development principles.

Specific environmental targets are defined in the strategies of the divisions and business units.

We measure, review and improve our environmental performance with the help of specific key indicators of environmental performance.

The Vaisala Environmental Management System conforms to the requirements of the EN ISO 14001 standard.

Vaisala's recent environmental highlights

2009

- Joins WWF Green Office initiative in early 2009 and pursues a certificate for Vantaa office during 2009

2008

- Joined United Nations Global Compact
- Vaisala participates in an energy efficiency improvement program of the Federation of Technology Industries of Finland
- Continuous development of the Environmental Management System

2007

- **Design for Environment (DfE) in product development process**
 - Environmental impacts of Vaisala's volume products evaluated through Life-Cycle Assessment (LCA)
 - Training provided to R&D to use this information in new product development
- **Vaisala becomes a stakeholder at the Finnish strategic centre for science, technology and innovation for energy and environment**
 - Our goal in this undertaking is to develop new innovations, especially in clean technology, for our existing businesses, and to identify and pursue new opportunities with other stakeholders.

- **Continuous improvement of the environmental status of the company**
 - Corporate-wide EMS development, support and training
 - New environmental policy, objectives and program updates
 - Maintaining the achieved high level of waste collection and recycling at all sites
 - Participation EU-wide in Producers' Organizations for WEEE and Batteries & Accumulators
 - Strengthen environmental messaging and controls regarding our suppliers

Environmental impacts of operations

Vaisala's Head office in Vantaa houses over 60 % of our staff and most of our manufacturing. Vaisala Inc. has manufacturing facilities in Boulder, Colorado; Tucson, Arizona; and Westford, Massachusetts. All manufacturing is concentrated on these locations, which are therefore the primary contributors for any direct environmental impacts. Our other offices and facilities will gradually be involved in our Green Office program, depending on their actual environmental impacts. These impacts will be determined after the program has been successfully launched.

All established environmental metrics are from the Vantaa site as the North American operations were not using the same methods during the reporting period. These reporting mechanisms will be reviewed during the next reporting period. However, in order to give some perspective on the North American operations, some statistics from the Boulder site have been collected and are shown in the chart below.

Energy and water

Consumption of electricity at the Head office amounted to 9.06 GWh (32.6 TJ), a decrease of 1.16 % from 2007. Weather corrected district heating at the premises totaled 5.08 GWh (18.3 TJ). The use of electricity and heat was optimized in 2008, in line with the energy efficiency improvement program specifications.

Water consumption in 2008 at the Head office was 21,114 m³, a significant reduction from 31,866 m³ from 2007 and a reduction of nearly 60 % from 2004. All water used by Vaisala is municipal tap water.

Efficient staff communications, together with investments in clean technology and energy saving products is the way to cut energy consumption in a company like Vaisala. There are several ongoing initiatives that will support these efforts. We are starting a building project for a new main building at our Vantaa Head office in 2009. Once finished, it will significantly improve the overall energy efficiency of the site. The WWF Green Office program will be part of Vaisala's environmental communication to staff from 2009 onwards. We anticipate the program to further motivate our people to consider green alternatives and environmental aspects in their everyday work.

The most important target for Vaisala's energy conservation is the voluntary energy efficiency improvement program of the Federation of Finnish Technology Industries. Vaisala has committed to lowering its energy consumption at the Vantaa site by 9 % by 2016, from a 2008 baseline.

Waste management

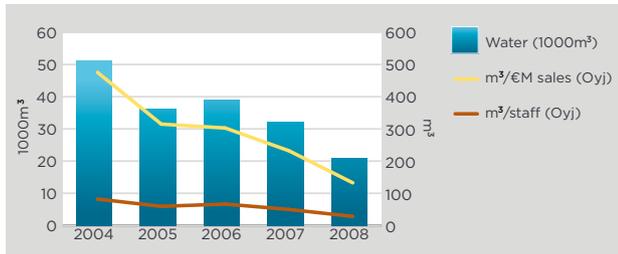
Vaisala's waste management target is to lower the amount of waste to landfill by improved sorting and by reducing the amount of waste itself. Separate collection and treatment of electrical and electronics waste was started in 2002. The aim has been to separate the energy waste (plastics and wood) and the glass waste from landfill waste. The target is to lower the quantity of landfill waste by 1000 kg/week to 1600 kg/week. This has not yet been fully reached, due to the fact that separate energy waste collection has not yet been fully organized in the Helsinki metropolitan area. Wood refuse is nowadays recycled, which has lowered the waste to landfill.

Vaisala maintains hazardous waste bookkeeping by nominated responsible persons according to current regulations. Hazardous waste treatment is carried out by a special authorized company - Ekokem Oy in Finland.

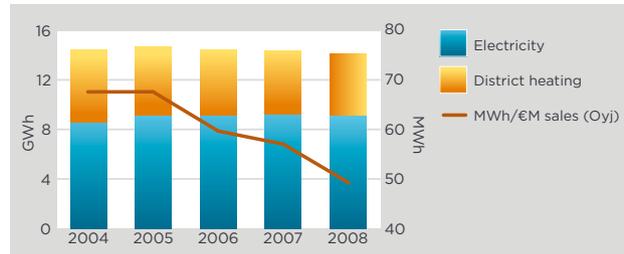
Producers' responsibility for financing the collection and recycling of Waste Electrical and Electronics Equipment (WEEE) started in 2005. The quantity of WEEE collected and recycled directly by Vaisala is indicated in the table below. Most of the WEEE recycling in the EU is carried out directly by local recycling organizations financed by national producers' organizations. In business to business sales the producer and the customer may mutually agree on the financing method for the recycling.

Vaisala takes care of the recovery of packaging materials that it delivers to the market. For this reason, Vaisala is registered

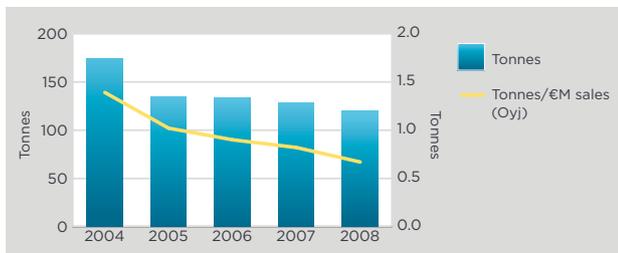
Water consumption (Head office)



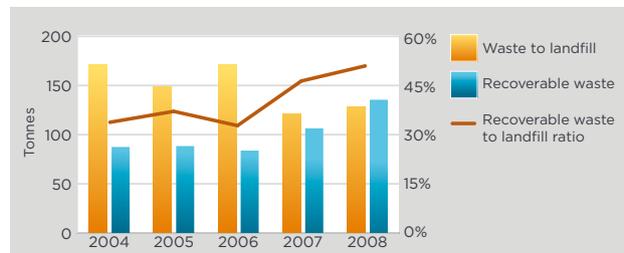
Energy and heat consumption (Head office)



Packaging materials (Head office)



Landfill and recoverable waste (Head office)



with the Environmental Register of Packaging PYR Ltd. to which we report our packaging weight information annually.

Environmental impacts of products

Environmental impacts of Vaisala's volume products (radiosondes and instruments) have been analyzed. Metrics based on the results of Life-Cycle Assessments (LCA) include effects to various environmental impact categories e.g. to Global Warming Potential, Acidification Potential, Eutrophication Potential and others.

The information that an LCA provides us with is used in product development, in order to optimize performance and minimize the environmental impact of products during their life-cycle.

The latest LCA was performed on the Vaisala HUMICAP® Humidity and Temperature Transmitter Series HMT330 in 2007. Valuable information was gathered and incorporated into R&D training. For instance, the use phase of electric and electronic equipment typically generates 90 % of the environmental impacts in the product's life-cycle. However, the analysis showed that as the energy consumption of the instrument is

very low, close to half of the environmental impact derives from the manufacturing phase. This is a definite advantage to us, because not only is the instrument energy efficient, it allows us to improve the overall impact of the product, by perfecting our manufacturing and sourcing processes.

Design for environment

Design for environment (DFE, Eco-design) refers to efforts and outcomes of integrating environmental issues into product development and design. Design for environment includes different levels, ranging from redesigning products to creating totally new product concepts. It includes various targets, such as improving energy efficiency, reducing material usage, and improving the recyclability of products. Altogether the target is to reduce the environmental impact of energy using products throughout their physical life-cycle. These measures include taking environmental issues into consideration in product development, manufacturing, logistics, the use phase, as well as in waste processing.

Vaisala has embraced the Design for environment concept and is using it in all product design and development. This includes life-cycle assessments of our most important products, ensuring RoHS compliancy and organizing disposal of electronic waste according to the WEEE directive.

Energy and water consumption (Head office)

Consumption	2004	2005	2006	2007	2008
Electricity (GWh)	8.54	9.08	9.10	9.17	9.06
District heating (GWh)	5.84	5.55	5.30	5.17	5.08
Water (1000 m ³)	51	36	39	32	21

Package materials, tonnes (Head office)

Package material	2004	2005	2006	2007	2008
Wood fiber	72.3	71.3	69.7	75.3	79.5
Plastic	19.8	19.7	13.2	3.4	1.1
Metals	1.4	1.4	3.0	1.1	2.3
Wood packages	80.4	42.4	47.5	48.8	36.7

Waste quantities by major sections, tonnes (Head office)

Waste type	2004	2005	2006	2007	2008
Waste to landfill	171.1	149	171.6	121.6	128.3
Recoverable waste	87.5	88.4	83.8	106.4	120.5
Hazardous waste	7.9	13.3	16.6	12.3	20.8
WEEE	3.9	4.3	7.7	11.4	9.2

Boulder office environmental statistics

Consumption	2004	2005	2006	2007	2008
Electricity use (GWh)	0.60	0.66	0.70	0.83	0.89
Water (m ³)	617	547	519	418	363
Recycling of paper and corrugated cardboard, tonnes	11.8	13.6	16.3	14.5	13.9
Waste to landfill	17.7	14.9	15.1	15.1	14.8

Furthermore, product designs are constantly screened for ways to make them even more environmentally friendly.

- Raw material choices for products, eco-design characteristics of products,
- product recycling and disposal (environmentally conscious product development)
- Packaging materials
- Use of chemicals in manufacturing operations (control of hazardous materials)
- Facility waste management (recycling, managing different types of waste)

WWF Green Office

Since early 2009, Vaisala is a participatory in the World Wildlife Fund (WWF) Finland's Green Office program. This initiative's goal is to cut down on greenhouse gas emissions generated by office environments. Together with WWF, Vaisala will strive to further mitigate negative impacts to the environment by improv-

ing efficiencies in its offices. This can be achieved by training and communicating environmental targets to staff, setting up new greener guidelines, emphasizing the importance of recycling, energy conservation and making green choices everyday.

Vaisala's environmental objectives

- Environmental management system based on ISO 14001
 - Continuous improvement phase
- Provision to EU directives (WEEE, RoHS, EuP, REACH etc.)
 - WEEE completed, EU RoHS (Category 9) and China RoHS under work
- Design for Environment (DfE / EuP) in product process
 - DfE improvement
 - EuP does not concern Vaisala products in the first phase
- Improved waste management
 - Continuously in control
- Improve Vaisala's energy efficiency 9 % by 2016

Cases

Reference radiosonde for climate change observations

As part of its Corporate Responsibility efforts, Vaisala is investing in the development of an operational reference radiosonde. Radiosondes are meteorological devices that are used to measure temperature, humidity, pressure, wind speed and direction in the upper atmosphere. When complete, the reference radiosonde is hoped to provide superior-quality climatological data on the upper parts of the atmosphere, and shed light on the dynamics of climate change.

The motivation for the development project is not commercial. It resides in the needs of the international scientific community, which has clearly expressed a need for this kind of high-precision instrument. Vaisala has been such an integral part of this community for over 70 years that there is a strong feeling of duty to respond to this need. The project requires long-term work and commitment, as well as a significant investment in research and development.

When complete, the scientists will exercise final judgment on the instrument's successes and failures. In order to ensure that it suits the needs of its end-users, Vaisala will carry out the reference radiosonde development project in close cooperation with the international scientific community. Scientific evaluation has already begun. After piloting, the instrument will be further developed according to the experiences gained.

A working prototype of Next Generation Autosonde

A group of students produced a new Autosonde concept and a working prototype for Vaisala. This was part of a course called Product Development Project (PDP), organized by the Helsinki University of Technology in semester 2007-2008.

The nature of the course is multidisciplinary. Project teams consist of 10 senior students from various backgrounds. Vaisala was among the sponsoring companies for the course. The Vaisala team's assignment was to develop a new concept for an automatic meteorological balloon launching station.

The PDP course was a great opportunity not only for the students, but also for Vaisala. Our main purpose was to obtain fresh ideas and a prototype developed by an open-minded and enthusiastic team of students. Another equally important goal was to strengthen Vaisala's image as an innovative company and a potential future employer.

Vaisala provided the students with assistance in technical issues, and set up a steering group to guide the work. The students were independently responsible for managing and scheduling the project, ordering and manufacturing the components and for building the prototype.

The prototype has now carried out about 30 successful launches without major technical problems. The prototype will be utilized in product development, and some of the team's ideas may find their way to the final product. The student team working for Vaisala was awarded as the best project among the course projects by the Product Development Club.

Vaisala Weather Transmitters used to raise environmental awareness in Tokyo

Vaisala Weather Transmitters serve an interesting purpose in Tokyo, Japan. Four Vaisala weather transmitters set in the city center transmit data to a lobby in the Shin Marounouchi building. Looking down to Tokyo station, the building belongs to one of the world's most expensive industrial sites.

The 10th floor lobby is designed with ecological values in mind. In addition to furniture made of recycled wood, the room features a low-power touch-screen monitor set in a table. The monitor displays weather data from the transmitters located around the district. While entertaining, the monitor is also educational as it provides information about the urban climate.

For example, Vaisala weather transmitters are used to measure the urban heat island effect and visualize it for Shin Marounouchi visitors. A UHI (Urban Heat Island) is a metropolitan area that is significantly warmer than its surroundings. As population centers grow, they consume a larger area of land and as a result the average temperature keeps rising.

In addition to the weather transmitter data display, action is taken at the Marounouchi business district to control the UHI effect. For example, water is splashed on the streets to cool down surface temperatures.

Minneapolis office spreads holiday cheer

For a number of years now, the Vaisala Minneapolis office has worked with a local charity called St. Anne's Place around the Christmas holidays. Each year the entire office pitches in to gather toys, games, and other items for families residing at the shelter.

2008 was a great success, and a box of presents was delivered to the shelter on December 16. In the days before Christmas, donated items were organized by the shelter and residents were able to "shop" for their family members, giving them an opportunity to celebrate Christmas with thoughtful and much needed gifts.

St. Anne's Place is a short-term emergency shelter for women with children. The shelter provides room and board as well as mental health, job, and educational counseling with the ultimate goal of successful independent living. They house approximately 150 families each year, while their sister organization, Ascension Place, houses an additional 80 women at risk each year.

Colorado school volunteering

Some of our employees take initiative to bring science closer to students of all ages. One of them is Chuck Quire, R&D Project Office Manager from Vaisala's Boulder office. He tells us about his trip to his local elementary school in spring 2008.

"My daughter's second grade teachers asked me to speak to the second graders about the instruments used to measure weather. On April 22nd 2008 I went to Berthoud Elementary School in Berthoud, CO, and spoke to four classes, approximately twenty students each.

I brought a Vaisala Tethersonde, Automatic Weather Station, Rocketsonde, Radiosonde, Dropsonde, a Balloon Inflation Device and two 200g weather balloons as well as couple of posters.

During the first part of the demonstration I explained how each of these instruments is used. Next, we passed them around for the kids to see and touch. After that it was time for questions, and let me tell you, there were some interesting questions. After all, eight year old children have some wacky imaginations.

The kids were most excited when we went outside to release the weather balloons. I had prepared some postcards that we attached to the balloons, explaining that this was a weather studies project for the second graders at Berthoud Elementary. The cards asked that if someone found a balloon, to please mail the pre-addressed and stamped card to the school with the location and time found.

Two students released the balloons, but over eighty kids chased the enormous balloons across school grounds until they had enough altitude to get over the fence. Next time I'll use a little more helium..."

The teachers seemed to feel the demonstration was worth while, and have asked me to come back during their weather segment in coming years. I accepted gladly, and am truly looking forward to doing it again.

Photos by Joyce Fried



GRI content index

The Global Reporting Initiative content index is provided to assist the reader in navigating through the report and to compare it to the GRI G3 Guidelines. We have self-declared this report to GRI application level C. This application level has also been confirmed by GRI, after performing an application level check on the report. For more information about the guidelines or the application levels, please see www.globalreporting.org

GRI Indicator	Content	Page number	Extent of reporting
---------------	---------	-------------	---------------------

Standard disclosures

1.1	CEO's statement	4-5	●
2.1	Name of the organization	1	●
2.2	Primary brands, products, and/or services	12-13	●
2.3	Operational structure of the organization	10-13	●
2.4	Location of organization's headquarters	6	●
2.5	Number of countries where the organization operates,	8-9, 13	●
2.6	Nature of ownership and legal form	10, 20	●
2.7	Markets served	12-13, 19	●
2.8	Scale of the reporting organization	6, 24	●
2.9	Significant changes during the reporting period regarding size, structure, or ownership	6,10	●
2.10	Awards received in the reporting period	6	●
3.1	Reporting period	6	●
3.2	Date of most recent previous report	6	●
3.3	Reporting cycle	6	●
3.4	Contact point for questions regarding the report or its contents	2	●
3.5	Process for defining report content	6-7, 18	●
3.6	Boundary of the report	6-7	●
3.7	State any specific limitations on the scope or boundary of the report	6-7	●
3.8	Basis for reporting on joint ventures and subsidiaries	6-7	●
3.10	Effect of any re-statements of information provided in earlier reports	6-7	●
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods	6-7	●
3.12	Table identifying the location of the Standard Disclosures in the report	48-49	●
4.1	Governance structure of the organization	CG	●
4.2	Function of the chairperson of the Board of Directors	BOD	●
4.3	Number of members of the highest governance body	BOD	●
4.4	Mechanisms for shareholders and employees to provide recommendations or direction	AGM	●
4.12	Commitments to external initiatives	7, 20-21, 50	●
4.13	Memberships in associations	20-21	●
4.14	List of stakeholder groups	18	●
4.15	Basis of identification and selection of stakeholders	16-17, 20-21	●

Performance indicators

Economic

EC 1	Direct economic value generated	23-25, AR	●
EC 3	Coverage of the organization's defined benefit plan obligations	24, AR	●
EC 4	Significant financial assistance received from government	24	●

Environmental

EN 3	Direct energy consumption by primary energy source	42-44	●
EN 5	Energy saved due to conservation and efficiency improvements	42,44	○
EN 8	Total water withdrawal by source	42-44	●
EN 22	Total weight of waste by type and disposal method	44	○
EN 26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	41-44	●
EN 28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	17	●

Labor practices and decent work

LA 1	Total workforce by employment type, employment contract, and region	27	●
LA 2	Total number and rate of employee turnover by age group, gender, and region	28-29	●
LA 3	Benefits provided to full-time employees that are not provided to temporary or part-time employees	33-34	●
LA 4	Percentage of employees covered by collective bargaining agreements	28	○

LA 6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	32	○
LA 7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	32	●
LA 8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	33-34	○
LA 10	Average hours of training per year per employee by employee category	35	●
LA 11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	32-35	○
LA 12	Percentage of employees receiving regular performance and career development reviews	31	○

Human rights

HR 3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	16, 35	○
HR 4	Total number of incidents of discrimination and actions taken	17	●
HR 7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	17	○
HR 9	Total number of incidents of violations involving rights of indigenous people and actions taken	17	●

Society

SO 3	Percentage of employees trained in organization's anti-corruption policies and procedures	16	●
SO 4	Actions taken in response to incidents of corruption	17	●
SO 5	Public policy positions and participation in public policy development and lobbying	20-21, 37	○
SO 6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	37	●
SO 7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	17	●
SO 8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	17	●

Product responsibility

PR 2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life-cycle, by type of outcomes	17	●
PR 4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	17	●
PR 7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	17	●
PR 9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	17	●

Annual Report 2008 available at www.vaisala.com/annualreport

CG: Corporate Governance section, Annual Report 2008

BOD: Board of Directors section, Annual Report 2008

AGM: Annual General Meeting section, Annual Report 2008

● Fully reported

○ Partly reported

Report Application Levels

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared							
	Third Party Checked			Report Externally Assured		Report Externally Assured		Report Externally Assured
Optional	GRI Checked							

UN Global Compact reporting

Vaisala joined the UN Global Compact in 2008 and has committed itself to following the ten guiding principles of the initiative. Consequently, we report on our progress on annual basis.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Embedded in Vaisala's Code of conduct launched in 2008. Code of conduct training for entire staff in 2008 – 2009.
Principle 2: Make sure that they are not complicit in human rights abuses.	Code of conduct training for entire staff 2008 – 2009

Labor Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Embedded in Code of conduct. Employee representatives, according to local legislation.
Principle 4: The elimination of all forms of forced and compulsory labor.	Covered in Code of conduct. No violations reported to date.
Principle 5: The effective abolition of child labor.	Covered in Code of conduct. No violations reported to date.
Principle 6: The elimination of discrimination in respect of employment and occupation.	Covered in Code of conduct

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.	Life cycle assessment on key products to assess their impact on the environment.
Principle 8: Undertake initiatives to promote greater environmental responsibility.	Became signatory of The Federation of Technology Industries' Energy Conservation Agreement in 2008.
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	Vaisala is constantly developing Best Available Technology (BAT) products to meet the increasing demand for highly accurate measuring instruments, e.g. for climate change research.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Covered in Code of conduct and Vaisala's International anti-corruption policy
---	---



Glossary

BAT (Best Available Technology)

Technologically and economically most efficient and highly developed products and solutions

CO₂

Carbon dioxide, one of the most common greenhouse gases

Code of conduct

Vaisala's Code of conduct is a ten statement document that describes how we work as a company and what standards we set for ourselves and our partners

CR

Corporate Responsibility

DfE, Design for Environment

The integration of environmental concerns into the design process that e.g. leads to life-cycle perspective in product design

EEE

Electrical and Electronic Equipment

EMS

Environmental Management System

EuP

EU directive on the eco-design of energy-using products

Global Compact

A UN based initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human and labor rights, the environment and anti-corruption.

GRI

Global Reporting Initiative, a multi-stakeholder network that coordinates a set of universal guidelines for sustainability reporting.

IPP, Integrated Product Policy

A new approach in the EU environmental policy which aims through a variety of instruments to increase efficiency in the use of resources, reducing waste generation and other harmful environmental impacts related to products as well as stimulating the demand and supply of environmentally sound products within the EU market.

ISO 14001

A universal certifiable standard for environmental management systems by the International Organization for Standardization

LCA, Life-Cycle Assessment

The analysis of a product that includes: the acquisition of raw materials, manufacturing of parts and components, end product manufacturing, distribution and installation of the end product, use and disposal of the product.

NGO

Non-governmental organization

REACH

EU regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals

RoHS

EU directive on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment

Sustainability, Sustainable Development

Responsible production and consumption that does not compromise future generations' ability to meet their own needs

WEEE (EU Waste Electrical and Electronic Equipment directive)

WEEE is an EU directive that sets obligations for producers and importers of electrical and electronic products to provide for the collection and treatment of discarded products in an environmentally conscious manner and to bear the related costs.

This material is subject to copyright protection, with all copyrights retained by Vaisala Oyj. All rights reserved. Any logos and/or product names are trademarks of Vaisala Oyj or its individual partners. The reproduction, transfer, distribution or storage of information contained in this document in any form without the prior written consent of Vaisala Oyj is strictly prohibited.

VAISALA



www.vaisala.com

C210055FI