

elisa

2015

ANNUAL REPORT



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CEO's review

Record-breaking annual earnings again

Elisa's competitiveness developed well during the year, even though both the general economic situation and the competitive situation in the Finnish telecommunications market continued to be challenging. We improved the profitability of our operations and strengthened our leading market position. We achieved the best results in our history, and we offered our customers new services offering superior user experiences and provided significant content for them.

Elisa's revenue growth 2015 was better than the peer group average, and our earnings grew significantly. Our revenue was improved by the increase in demand for mobile data, as well as for ICT and new online services. Our revenue grew by 2 per cent, earnings per share by 9 per cent excluding non-recurring items, and cash flow by no less than 18 per cent. In Estonia, our revenue was at previous year's level.

Elisa's profitability and financial position are good. Our strong, predictable cash flow and our competitive dividends have for a number of years created the prerequisites for development and provided added value for our owners. We are committed to distributing competitive profit to our owners. Elisa's Board of Directors will propose dividends of EUR 1.40 per share to the Annual General Meeting in the spring.

Record-breaking year for mobile data demand

In Finland, people use the most mobile data per user in the world, and in 2015 we broke records in the demand for mobile data. Customers in Elisa's network upgraded to even faster mobile data speeds and annual growth of the amount of mobile data sent grew 95 per cent. Early in the year, we crossed the threshold of transmitting more data over the 4G network than over the 2G and 3G networks combined. Data speeds and amounts will multiply in the near future, as more and more equipment will connect to the Web through the Internet of Things, and video traffic will increase.

An increasing number of our customers want to update their subscription packages and are ready to pay more for a faster and higher-quality data connection. Studies show that users of fast connections are also our most satisfied customers. Some 92 per cent of our new sales were smartphones, and 81 per cent of terminal devices purchased support high-speed 4G connections.

Our 4G networks in Finland and Estonia cover more than 97 per cent of the population. Elisa's determined construction of the 4G network progressed at record speed. Elisa has fulfilled the terms and conditions set for its licence in connection with the 800 MHz auction well in advance of the time limit of 2019. Fast Internet connections have been constructed using new frequencies in sparsely populated areas, in particular. In addition, we launched a subscription

that enables speeds of up to 300 Mbps. The new top speeds are now available in over 30 localities. We invest almost EUR 200 million each year, the majority of which is allocated to network construction. Due to our stable financial situation, we have the prerequisites for increasing network speeds and capacity further as required for new services and applications.

Value for our customers in Finland and abroad

Our strategy has proven successful, and we have continued its determined implementation. Elisa is recognised internationally as a new kind of operator. We want to create added value for our customers, and we innovate digital services both in our own network domain in Finland and Estonia and internationally. At the same time, we continuously improve our customer understanding and invest in customer satisfaction, quality and cost-efficiency.

During 2015, we introduced a number of new services to our customers. We expanded the offering of the Elisa Viihde IPTV service with entertainment and sports, while also providing our own domestic films and TV series available exclusively from Elisa Viihde. We were also the first in Finland to integrate Netflix into our IPTV service. The position of the Elisa Kirja service as Finland's largest e-book service strengthened further, contactless payments increased in popularity.

For corporate customers, 2015 was the breakthrough year for digitalisation. We are at the vanguard of development, and early in the year we launched the Elisa IoT (Internet of Things) services in Finland and Estonia. Elisa IoT is an open cloud platform that allows corporate customers to innovate new kinds of IoT products, launch new business operations and gain significant competitive advantages.

In addition to opportunities, digitalisation involves great digital responsibility. We extended our service offering in the prevention of cyber-threats and established a new Elisa cyber security centre, through which we offer our customers a preventive, real-time security service to monitor and combat a variety of threats.

We invest in international growth, in particular, by providing video conferencing solutions for corporate customers.

We also strengthened our competence through corporate acquisitions. For example, we strengthened the development and range of our digital health care services by purchasing the master data management (MDM) business operations of Datawell Oy. We also purchased the Livezhat business operations, allowing us to offer both effective chat tools and a total service where we manage chats on companies' behalf. In accordance with our strategy, we also increased our holding in Anvia, which operates in Ostrobothnia.

As we wish to improve our cooperation with new companies, we strengthened our long-standing and successful start-up operating model. We also took part in a start-up event as one of the main cooperation partners of Slush, and we launched the Elisa IoT Innovation Challenge. The competition was won by Foller, a platform for reducing food waste. Our cooperation with RePack, in turn, has strengthened Elisa's ability to adopt environmentally friendly solutions by recycling service packaging.

Value for society

We are a significant part of Finnish and Estonian societies. According to a March study by ETLA, the Research Institute of the Finnish Economy, Elisa is the ninth most important company in Finland measured by value added. As a Finnish company

with its eyes on the world, it's important that we conduct ourselves responsibly, ethically and lawfully in all situations. We have signed the UN Global Compact, and we are committed to supporting and implementing its basic principles in our own operations.

Our responsibility is based on our values. During the year, we updated our values as a result of a values dialogue with our personnel. Our core values are customer orientation, responsibility, results orientation, renewal and collaboration. Elisa's Code of Conduct, applicable to the entire Group, is also based on our values.

We are also pioneers in the changing working culture and in adopting teleworking. We use diverse virtual tools to support our work and as a substitute for commuting. As a result, our personnel satisfaction has risen to a record-breaking level. As a nationally important employer, we invest particularly in career opportunities for the young. We were involved in the Responsible Summer Job campaign and participated in the Work for the Young programme. We also encourage women to enter the IT business by means of the Dialogue project and the Super-Ada event, for example.

We have for a long time supported Finnish young people through the Tukikummit Foundation by helping young people at risk of marginalisation. In 2015–2016, we want to continue supporting Finnish young people. As a result ShedHelsinki was created, where children and young people can participate in creating a new kind of theatre.

We continued the important work of opening opportunities for the digitalising society in popular digital schools for children, for example. With the growth in the use of smartphones, we want to support digital parenting, and we launched a separate service website for this purpose. Together with Nokia, we donated an interior

mobile phone network for the New Children's Hospital.

We engage in long-term work to mitigate climate change through our low-emission ICT services and to improve energy-efficiency. Our customers' emission savings continued to increase, and our own carbon footprint was reduced by a further 76 per cent. Almost all the electricity we source in Finland is produced from renewable sources. We report our carbon footprint annually in the international CDP questionnaire, in which the climate report for 2015 produced by Elisa for investors and the global market was assessed to be top quality among Nordic companies and among telecommunications operators.

Elisa's success is based on a number factors. We are proud and thankful for the trust that our customers and owners have shown in us. Particular thanks are due to our expert and committed personnel. We continue every day our determined work for the benefit of our customers and to implement our strategic objectives.

Veli-Matti Mattila

Chief Executive Officer

Developing personnel

The Elisa Group employs approximately 4,100 professionals in Finland and internationally. Clear goals, modern tools and flexible opportunities for working increase meaningfulness and productivity. They also save time and money and help to protect the environment. We take care of the well-being of our personnel – as a responsible, forerunner company should. Elisa's continuously renewing organisation has high-level personnel satisfaction.

We boldly look for new operating models and challenge beliefs. Change is a daily routine for us – it is renewal, and we are proud of it.

Changes in the industry and working culture

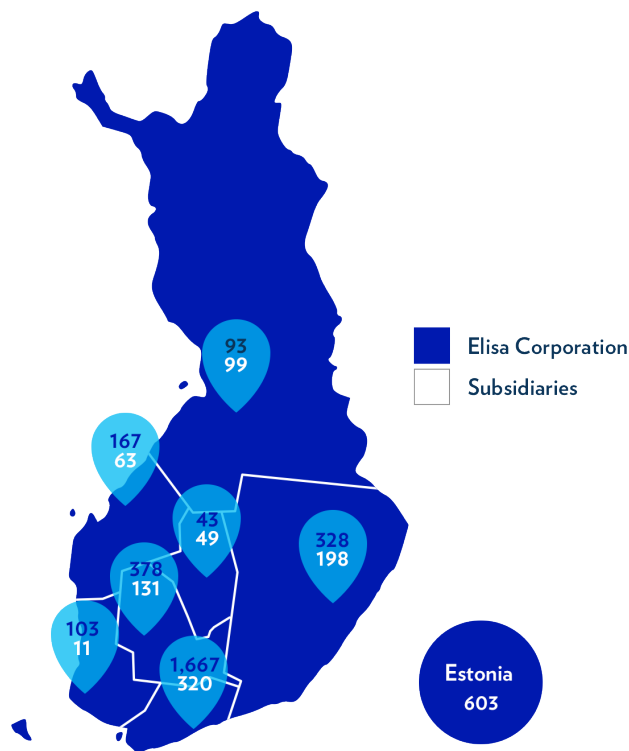
Elisa's industry undergoes continuous changes. Digitalisation is influencing what we do and how we do it, our tools and working environment, as well as management. Translated into skills for working life, this requires continuous development, taking care of one's own well-being

at work, trust and open interaction. Change requires clear targets from management. New ways of working also allow flexible coordination of work and leisure time.

We are forerunners of changing working culture and engaging in teleworking. We use versatile virtual tools to support our work. In many duties, we can work anywhere and seek new positions regardless of locality. Elisa Ideal Work means smart ways of working, and tools and facilities that support them. Renewal projects in accordance with the Elisa Ideal Work concept were implemented at the facilities in Pasila, Tali and Tampere in 2015. Elisa employees teleworked an average of 75 (70) days per person in 2015 and participated in 211,024 (197,138) virtual conferences.

Internationalisation is also introducing new requirements for expertise and, on the other hand, offering new kinds of career opportunities. In 2015, Elisa employees worked in a total of 14 different countries.

PERSONNEL IN FINLAND AND ESTONIA 31 DEC 2015



Future expertise

Elisa's employees make up Elisa – without our experts, we do not exist. We continuously seek new and different people to join us. Our goal is to find people who suit our values and whose expertise and motivation strengthen our competitiveness. We operate in a changing market. At Elisa, you can find completely new kinds of tasks as well as traditional ICT tasks.

Case

The operations of Elisa Appelsiini, Elisa's subsidiary focusing on Elisa's IT solutions, are based on extremely strong competence in carefully selected areas of technology. Elisa Appelsiini recruits the best experts in the industry, and during 2015, hired a group of ICT experts for new kinds of tasks in software development and in social services and health care. New expertise was acquired in the form of Fiorano and BizTalk competence, as well as more traditional programming languages. Read more about [recruitment](#) (in Finnish) at Elisa Appelsiini.

In 2015, we hired 1,139 new personnel directly in the service of Group companies or through our partners. Our recruitment is focused on software development, the Internet of Things (IoT) and digitalisation.

At Elisa, all tasks are tasks for both women and men. Equal pay is based on the guidelines in our equality plan. As an employer, we comply with the principles of equality in all our operations, and we also require it from our partners.

Elisa's operating model is based on location-independent work. As a result, the most suitable employee may be recruited regardless of their residence or country. Our jobs are linked to a locality only for specific reasons. In our

recruitment, we only use expert and reliable personnel evaluation services.

We want to develop and improve our expertise by engaging in cooperation with different educational institutions and research communities in the form of research, training, traineeship, diploma work, projects and corporate visits. Our cooperation institutions are, as a rule, educational institutions in the fields of technology and business, as well as universities and higher education institutions. In 2015, the parent company employed approximately 180 people in summer jobs and traineeships. We were also involved in the [Responsible Summer Job 2015](#) (in Finnish) campaign.

Case

We believe that many women who may have never thought about seeking work in the IT industry may grow to be excellent IT experts. We are encouraging women to enter the IT industry through the [Dialogue project](#) (in Finnish). We were also a cooperation partner in the [Super-Ada 2015](#) (in Finnish) event.

Strong cooperation between academic researchers and Elisa's business operations promotes our strategic choices by increasing our understanding of significant new [scientific breakthroughs](#). In 2015, we began cooperating with the students' union of Aalto University, with the aim of lowering the boundaries between the corporate and student worlds and telling students about the broad range of job opportunities in the ICT industry.

Continuous development

We develop our personnel according to the 70–20–10 model; in other words, through a combination of learning at work (70%), management based on coaching and support from supervisors and other bodies (20%), and various training and coaching programmes (10%).

Interesting challenges and our working environment enable our staff to personally develop and expand their competence. We take care of the continuous development of our own expertise. In 2015, Elisa employees used an average of 10 hours for training, and completed 15 further qualifications and 14 specialist qualifications.

In addition to training, we also actively utilise other expertise development methods supported by Elisa, such as learning at work and job rotation. Elisa's way of working in teams receives excellent feedback from our personnel every year. 163 (210) Elisa employees participated in job rotation.

A strong part of the continuous development of expertise is that the entire personnel have the capacity and opportunities to take part in developing Elisa's operations and processes. Process work is performed under the leadership of process owners in a number of development groups. In 2015, over 145 (149) people took part in process development work in development groups. In addition, teams have been coached to develop operations, and a significant part of the development of operations takes place at team level. Every team member is responsible for the development of their own work and daily improvement in a manner that increases customer value.

Good management, clear goals and shared values

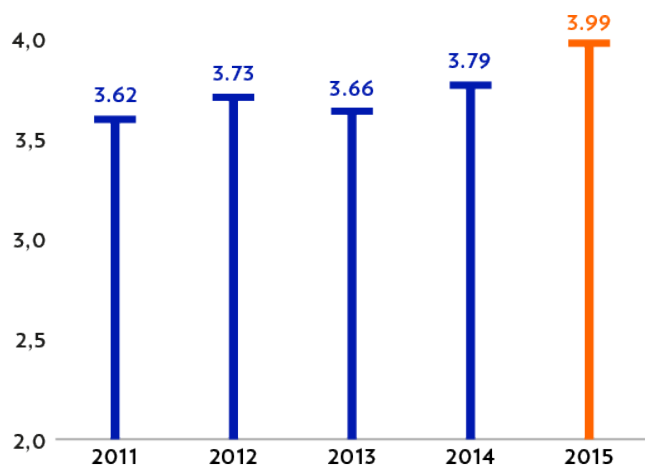
Every Elisa employee has the right to work for a good supervisor. We support success and productivity by coaching management. Studies show that our supervisors are top class: in the 2015 personnel survey, the index of supervisors was assessed to be 4.27 (4.09) on a scale of 1–5.

A key part of Elisa's management system is the appraisal and development discussion, which each employee holds with their supervisor twice a year. Between these discussions, supervisors maintain regular, private discussions with their team members. In the actual appraisal and

development discussions, we implement our strategy, agree objectives, assess our operations and performance and plan our personal development. In 2015, we held 2,440 appraisal and development discussions.

We continuously develop the operation of our working community on the basis of the results of the regular personnel survey, for example. All this can be seen in the personnel satisfaction of Elisa employees, which has risen to a record-breaking level. In 2015, our resource index in Q4 rose to 3.99 (3.89) on a scale of 1–5.

RESILIENCE INDEX

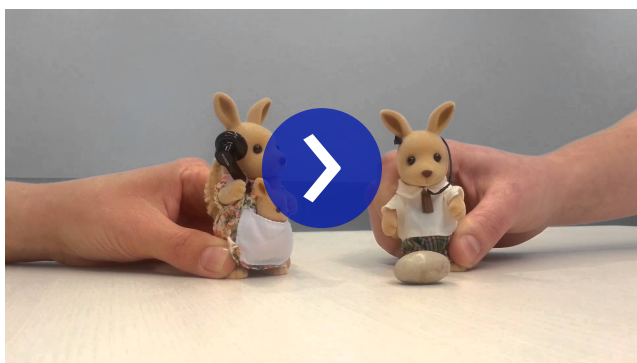


In 2015, we completed the Elisa Value Dialogue that began at the beginning of 2014. 75 cent of the personnel of the entire Group participated in the value debate in terms of online discussions and workshops. The goal was to strengthen Elisa's

corporate culture and find functioning issues and targets for development.

As a result of the joint value dialogue, we updated Elisa's values and added one new value, which describes working together, cooperation and team spirit. In the summer of 2015, Elisa's Board

of Directors confirmed the values of the company: customer orientation, responsibility, results orientation, renewal and collaboration. Our work on our values continued during the autumn, when Elisa employees created videos to show how our values are seen in our operations, now and in the future. By the end of the year, a total of 330 internal value videos were created. Approximately 2,000 Elisa employees participated in their creation.



Video: www.youtube.com/watch?v=f5wcHBK6jhc

Case

The video eKristallipallo ("eCrystal Ball") by the consumer customer service team from Pasila (Anssi Makkonen, Pyry Törnvall and M. Laakkonen) was a great success among Elisa employees. It was selected as the best video describing our customer orientation value; it describes the strategic intent of Elisa employees to become even better at their work. Video only in Finnish.

Our entire personnel are committed to the [Elisa Code of Conduct](#) based on our values, which was introduced in the autumn of 2015.

Results through personnel well-being

Everyone has the right to work in a healthy and safe working environment. We promote well-being

at work and occupational health and safety through good management as part of our daily work. Each one of us, for their part, is responsible for our working community. We have a zero-tolerance approach to all forms of workplace discrimination.

We pay attention to well-being at work and promote a good work-life balance. As support for our staff to take care of their well-being, we offer services safeguarding well-being at work, such as sports and hobbies. We provide regionally organised sports and cultural club activities, and offer high-quality health care with services considerably in excess of the statutory requirements.

At Elisa, the HR department is responsible for the development of well-being at work activities with regard to health, working capacity and the development of the working community. The facilities services and the IT department, in turn, are responsible for working conditions. The working environment committee coordinates the operations of the occupational health and safety organisation. The committee includes a representative of the employer, the occupational health and safety manager and the representatives of occupational health care, facilities services and IT services, as well as occupational health and safety delegates representing employees.

We were the first company in Finland to pilot a diversity management manual in 2014. In 2015, we updated our equality principles plan which includes development measures. The plan was prepared in a group consisting of employer and employee representatives, which was coordinated by the equality coordinator designated by the employer.

The plan for 2015 consisted of four development targets:

- The first target focused on equal pay for women and men. To promote this, we changed our salary adjustment process.
- The second target supports the internationalisation of Elisa. As the first measure to achieve this target, we produced working instructions that are central from the point of view of work in English.
- The third target is to get more women into management and supervisory positions. To boost this development, we prepared a roadmap to give Elisa employees the opportunity to familiarise themselves with roles in different units and support units and their competence requirements.
- As the fourth target, we chose the equal promotion of teleworking in all tasks where the work enables it. The issue has been managed in supervisory training, and inequality was not observed in the latest personnel survey.

During 2015, we developed ways to support the diversity of supervisory work by promoting the transfer of women to supervisory positions by means of the Dialogue project, for example. We support the shift of women into male-dominated duties and vice versa, and support employees whose working prerequisites require special measures.

We also operate responsibly in situations of change that have an impact on personnel. We consider it important that personnel have the opportunity to affect the content of the change by active participation. At Elisa, we will launch a change planning process every time the business

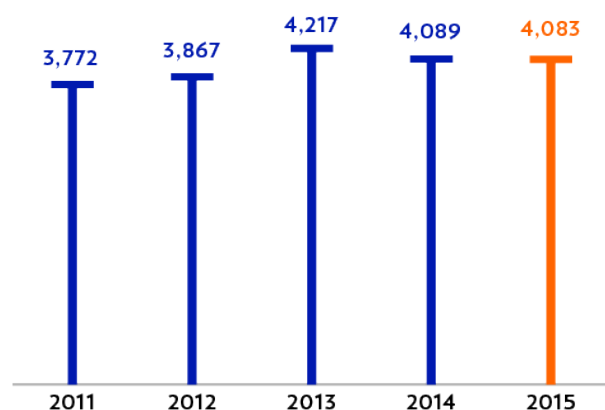
must undergo changes requiring co-operation negotiations that affect the number of employees, job descriptions or other key factors related to work. The operating model clearly exceeds the requirements of the Act on Co-operation within Undertakings. Our subsidiaries comply with the co-operation procedure in accordance with the Act. We report on any efficiency measures in connection with interim reports.

If places cannot be found for personnel in the renewed organisation, we together with our partners make our best effort to make sure our people get retraining or new employment opportunities.

Other personnel key figures

NUMBER OF EMPLOYEES

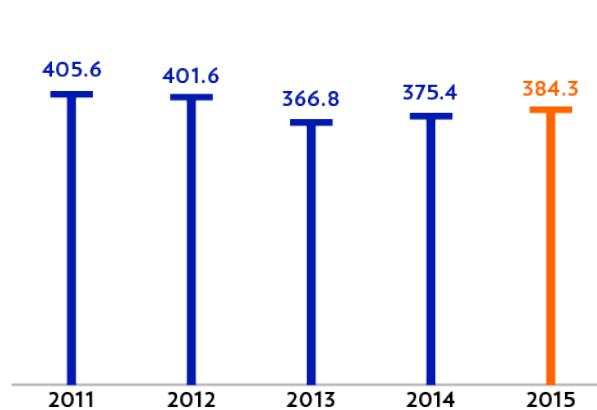
Persons



Average number of personnel at the end of the year.

REVENUE PER EMPLOYEE

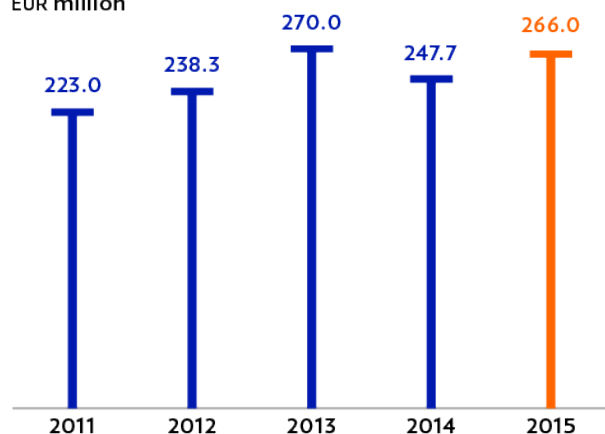
EUR 1,000



Calculated on the basis of the average number of personnel at the end of the year.

PERSONNEL COSTS

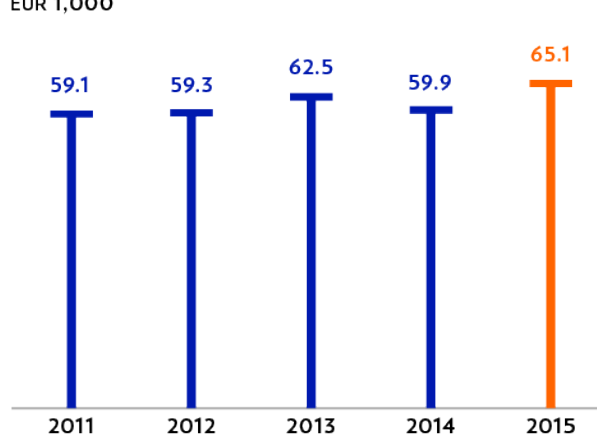
EUR million



Calculated on the basis of the average number of personnel at the end of the year.

PERSONNEL COSTS PER EMPLOYEE

EUR 1,000



Calculated on the basis of the average number of personnel.

MOBILE WORK SOLUTIONS AND CO₂ SAVINGS IN ELISA

	2011	2012	2013	2014	2015
Virtual meetings	27,409	67,744	125,850	197,138	211,024
Distance working days/person/year	37	44	52	70	75
Carbon dioxide savings	2,614	3,627	4,198	4,406	8,817

G4-10 TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, EMPLOYMENT TYPE, REGION AND GENDER¹

	2011	2012	2013	2014	2015
Personnel in total, 31.12.2015	2,803	4,459	4,756	4,546	4,545
Permanent contract	2,761	4,365	4,675	4,431	4,410
Finland	2,761	3,624	3,561	3,625	3,705
Estonia		560	547	578	538
Other Europe			56	73	111
Men	1,711	2,628	2,626	2,693	2,790
Women	1,050	1,556	1,538	1,583	1,564
Temporary contract	42	94	81	115	153
Finland	42	56	26	63	83
Estonia		33	44	47	65
Other Europe			1	1	3
Men	29	45	29	56	77
Women	13	44	42	55	74
Full-time employees	2,681	3,659	3,921	3,795	3,753
Finland	2,681	2,939	2,870	3,002	3,076
Estonia		559	547	583	538
Other Europe			54	73	106
Men	1,715	2,195	2,174	2,303	2,387
Women	966	1,303	1,297	1,355	1,333
Part-time employees	122	800	835	751	792
Finland	122	138	133	139	130
Estonia		33	44	38	38
Other Europe			2	0	8
Men	25	35	46	50	41
Women	97	136	133	127	135

¹ Figures 2011–2012 are not available for Estonia and other Europe

LA1 TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION¹

	2011	2012	2013	2014	2015
New employee hires	191	1,680	1,189	1,119	1,139
Finland	191	1,440	958	884	887
Estonia		240	192	222	194
Other Europe			39	13	58
Men	133	1,045	759	689	709
Women	58	635	430	421	430
Under 30 years	94	1,369	939	802	819
30–39 years	60	187	171	206	193
40–49 years	32	93	56	86	82
Over 49 years	5	31	23	25	45
Terminated employments	246	1,500	1,242	1,127	983
Finland	246	1,345	1,046	912	786
Estonia		155	185	194	193
Other Europe			11	21	4
Men	131	837	765	927	558
Women	115	663	477	544	425
Under 30 years	65	1,191	858	641	659
30–39 years	71	177	210	239	166
40–49 years	62	84	120	108	81
Over 49 years	48	48	54	139	77

¹ Figures 2011–2012 are not available for Estonia and other Europe

LA9 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY¹

	2011	2012	2013	2014	2015
Employee category					Women Men
Senior management					16 10
Middle management					16 11
Other employees					10 8

¹ Figures 2011–2014 are not available

LA11 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY¹

	2011	2012	2013	2014	2015
Percentage of employees receiving regular performance and career development reviews		87.3 %	93.8 %	91.9 %	88.86 %
Men		1,635	1,678	1,594	1,596
Women		894	872	864	844
Under 30 years		281	300	276	259
30–39 years		869	873	866	823
40–49 years		808	773	737	755
Over 49 years		571	604	579	603

¹ Figures 2011 are not available

LA12 COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY¹

	2011	2012	2013	2014	2015
Elisa's Executive Board		7	8	9	9
Women		1	2	2	2
Under 30 years					
30–39 years					
40–49 years		4	5	5	4
Over 49 years		3	3	4	5
Board of Directors		6	7	7	6
Women		2	2	3	2
Under 30 years					
30–39 years		1	1		
40–49 years				1	1
Over 49 years		5	6	6	5
Management teams of business units				79	79
Women		31	30	33	32
Under 30 years				1	1
30–39 years		18	12	11	10
40–49 years		39	40	46	43
Over 49 years		21	24	21	25
Managerial board for corporate responsibility		10	10	10	10
Women		5	4	4	4
Under 30 years					
30–39 years		2	2	1	1
40–49 years		3	6	5	5
Over 49 years		1	2	4	4
Breakdown of personnel by gender					
Men	61.2 %	62.7 %	62.7 %	62.7 %	63.6 %
Women	38.8 %	37.3 %	37.3 %	37.3 %	36.4 %
Breakdown of personnel by age					
Under 30 years	28.9 %	28.2 %	26.6 %	26.6 %	25.3 %
30–39 years	34.1 %	33.1 %	33.9 %	33.6 %	33.0 %
40–49 years	23.4 %	24.0 %	23.4 %	24.1 %	24.8 %
Over 49 years	13.6 %	14.7 %	16.1 %	15.8 %	16.9 %

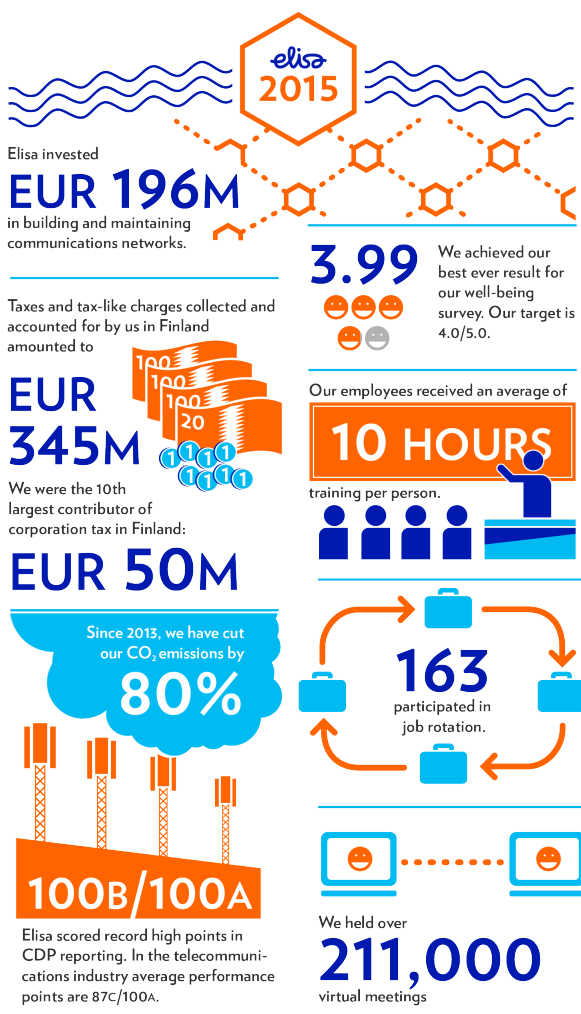
¹ Figures 2011 are not available

Responsibility at Elisa

Elisa is a Finnish forerunner in data communications, ICT and online services. Our task is to promote sustainable digitalisation by continuously improving the reliability, safety, availability and climate impact of our services. Customer orientation guides our daily operations and development work.

In 2015, we determinedly continued our responsibility measures and implemented an extensive stakeholder questionnaire to develop our operations further. According to the questionnaire, Elisa's most significant corporate responsibility areas were data security and privacy protection, financial responsibility, as well as safeguarding availability and accessibility of the services.

ELISA'S CORPORATE RESPONSIBILITY IN 2015



Global megatrends decisively affect the development of our industry. Read more in the [Annual Report](#). The key megatrends also guide the

digital service market and investments in corporate responsibility.

GLOBAL MEGATRENDS THAT AFFECT ELISA'S OPERATIONS FROM THE POINT OF VIEW OF RESPONSIBILITY

World of safe connections

In the future, ever-present digitalisation and cyber security will become necessary features for individuals, services and products.

Ageing population

The proportion of the elderly (aged over 65 years) population will grow, and they will enjoy a higher standard of living. Mobile health care, remote measurements and analyses will enable ageing people to live at home.

Transfer of financial power

Digitalisation is developing fastest in growing and developing markets, enabling location independent financial growth.

Sustainable development

Scarce natural resources and climate change will guide societies towards utilising knowledge and digitalisation more intelligently. Services will be provided more effectively, virtually and through teleworking.



Video: www.youtube.com/watch?v=EwgFm6WPmSg

Case

How can Elisa help to realise a digitalising world? The digital evolution is the greatest change that business has faced since the industrial revolution. Working and the use of services will change rapidly. Companies that dare to embrace change will succeed.

The developing and evolving opportunities of digitalisation involve sustainability challenges, and to solve them, we need investments by the entire ICT industry. As the number of devices grows, we need to improve recycling and material efficiency. The communications network will also expand to respond to the growing demand. That, in turn, will increase the energy consumption. At the same

time, environmental legislation will comprise a growing number of emission and energy-efficiency requirements. Industry will be required to continuously seek more environmentally friendly solutions, use renewable energy sources and continuously improve energy-efficiency.

A networked society increases the significance of data security and privacy protection. Shifting to digital services will make services more easily available, but it also emphasises the requirements of service reliability, safety and accessibility.

The global value chain of the ICT industry extends from the sourcing of materials up to the customer who uses digital services. Sourcing is also carried out in emerging markets. With development, a responsible sourcing chain will become increasingly important. Reliable and ethical operating methods will be emphasised from the point of view of both the environment and labour.

Responsibility is based on values and strategy

As a Finnish company with its eyes on the world, it's important that we conduct ourselves responsibly, ethically and lawfully in all situations. Our continuously developing corporate responsibility is based on Elisa's [strategy](#) and [core values](#), which are *customer orientation, responsibility, results orientation, renewal and collaboration*. Our responsibility for the climate together with customer and personnel satisfaction are crucial to our operations. We also measure them through scorecards.

From the business point of view, responsible operations are emphasised in challenging situations. In 2015, we did our best to work out service disruptions caused by the extended power failures due to autumn storms, for example, and implemented personnel solutions related to the closing of our Kemijärvi office.

In 2015, we signed the UN Global Compact. We are committed to adopting, supporting and implementing in our own operations, the basic principles of the UN related to human rights, working life, the environment and anti-corruption, and to regularly reporting on our activities.

In 2015, we adopted the [Elisa Code of Conduct](#) based on our values. Elisa's Board of Directors approved them to be binding on the entire Elisa

Group, applying to all our business, personnel and partners. The Code enables us to cultivate a sustainable and successful business and assure our stakeholders of our trustworthiness.

On our website, we also publicly post the Company's [data security policy](#), [processing of communication traffic](#), [a description of our customer register file](#) and the [Disclosure Policy](#).

Other key internal principles from the point of view of responsibility and sustainable operations include Elisa's Code of Ethical Purchasing, personnel policies (including principles of equality), marketing guidelines, risk management policy and data security policy.

With regard to external initiatives, in addition to the UN Global Compact we have signed:

- [the corporate responsibility initiative](#) of the European Telecommunications Network Operators Association (ETNO)
- [the Diversity Charter](#) of the Corporate Responsibility Network FIBS
- [the European Framework for Safer Mobile Use](#) initiative of the European GSM Association

Indicators

At Group level, we measure the success of corporate responsibility by using the CO₂ emission savings indicator, which is part of Elisa's scorecard. The indicator consists of emission savings achieved by our customers by using Elisa

products and services, and Elisa's own energy-efficiency measures, promotion of teleworking and virtual conferences, and sourcing of renewable energy.

Indicator	2011	2012	2013	2014	2015	Target for 2017
CO ₂ emission savings*	15,232	29,016	31,994	50,496	81,946	99,268
CDP	70C	89B	96B	92A	100B	-
T-Media*	-	-	3.02	3.14	3.09	-

*calculated at annual level

Basis for the emission savings indicator calculations:

<http://www.elisa.com/corporate-responsibility/>

T-Media study (in Finnish) <http://www.t-media.fi/>

[luottamus-maine/](http://www.luottamus-maine.fi/)

Material themes and aspects

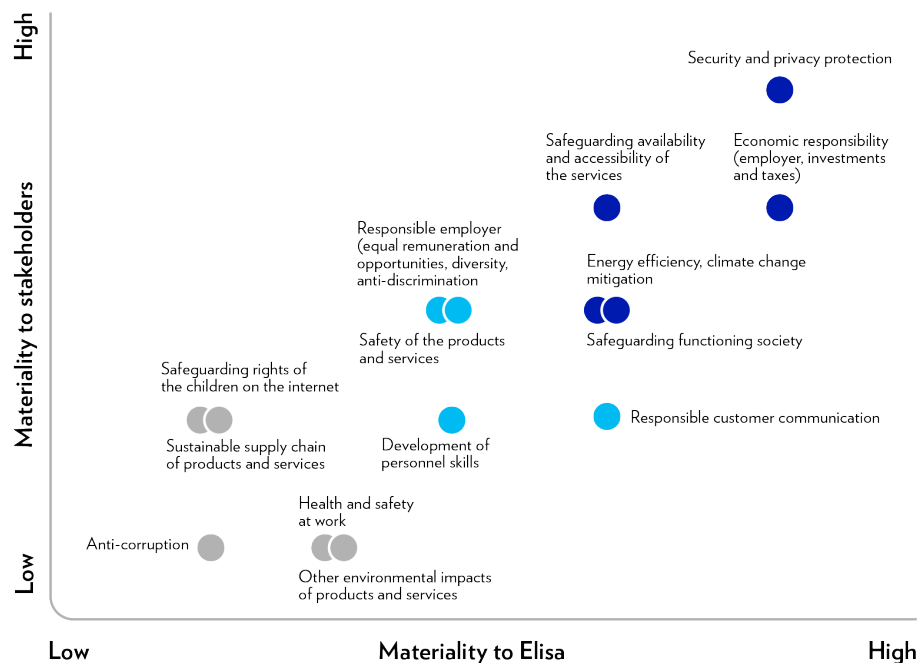
In recognising Elisa's material corporate responsibility, we take into account the most important financial and social impacts of our operations, products and services, their environmental impacts and the sector-specific aspects on the telecommunications industry, as well as other significant trends affecting the industry.

The effectiveness of these aspects has been examined from the viewpoints of Elisa and Elisa's value chain. To identify them, we have also utilised the internal assessment performed in 2013.

To prioritise these aspects of corporate responsibility, in 2015 we sent an extensive stakeholder questionnaire to our personnel, customers, owners, investors and analysts, suppliers, partners and social operators. The respondents could choose at most the five most material aspects of Elisa's corporate responsibility. They were also asked to provide open feedback.

Alongside the stakeholder questionnaire, Elisa's managerial board for corporate responsibility also evaluated the importance of the considerations internally from the viewpoint of our business operations. The results are described in the matrix below.

ELISA'S MATERIALITY MATRIX



On the basis of the results of the significance assessment, we prioritised the aspects of corporate responsibility and defined key focus areas for corporate responsibility, which also guide the content of the corporate responsibility report:

- data security and privacy protection
- financial responsibility
- availability, safety and accessibility of services
- being a responsible employer
- energy efficiency and climate change
- ensuring operational reliability in society
- responsible customer communications

Elisa's Corporate Executive Board has confirmed the results of the materiality analysis. The link between material aspects and GRI reporting are illustrated in the [GRI index](#).

Stakeholder dialogue

Our most important stakeholders are our personnel, customers, owners, social operators¹ and partners. Our stakeholders were defined in 2013 for the materiality analysis performed. The definition of stakeholders was performed through a questionnaire directed to Elisa's managerial board for corporate responsibility. The importance of stakeholders is assessed annually in connection with the update of the materiality analysis in Elisa's managerial board for corporate responsibility.

Engaging in stakeholder dialogue is an important part of the daily development work of business operations and corporate responsibility. We participate in active dialogue and seek feedback from our stakeholders by means of regular contacts and various questionnaires and reports.

Elisa has significant memberships in the following organisations, among others:

- Confederation of Finnish Industries (EK)
- Finland Chamber of Commerce / Finnish Chambers of Commerce

- Service Sector Employers' Association (PALTA)
- Confederation of Telecommunications and Information Technology (FiCom)
- Finnish Information Society Development Centre (TIEKE)
- Finnish Quality Association
- Finnish Direct Marketing Association (ASML)
- ICT Producer Co-operative
- Environmental Register of Packaging (PYR)

We operate as expert representatives in these organisations and participate actively in discussions within them. In addition, we influence the development of society through statements and other activity.

¹ Social operators include the authorities, officials, politicians, NGOs and other organisations, as well as research organisations. External stakeholders are examined from the point of view of both customers and influences in society.

ELISA'S STAKEHOLDERS AND INTERACTION

Personnel	Customers	Owners, investors and analysts	Subcontractors, partners	Social operators
Appraisal and development discussions (twice a year)	Customer service channels (continuous)	AGM (annually)	Close cooperation with our partner network (continuous)	Participation in information society projects (several per year) Digitalisation projects in the government programme (several per year)
Intranet, internal newsletter (continuous)	Internet, hub.elisa.fi and social media (continuous)	Investor events (several times per year)	Code of Ethical Purchasing (in connection with renewal of agreements)	Expert activities in industry organisations (several times a year)
Daily management (continuous)	Customer satisfaction questionnaires (monthly, annually) and their communication	Stock exchange releases (recurrently)	Customer satisfaction with the operation of subcontractors (continuous)	Meetings and events (several times per year)
Personnel satisfaction surveys (four times a year)				Cooperation with organisations (continuous)
Internal briefings (as necessary)	Cooperation practices that assist in deepening customer relationships (continuous)			Cooperation with researchers (continuous)

THEMES AND ACTION RAISED BY STAKEHOLDERS IN 2015

Stakeholder	Themes raised during the year	Action
Personnel	<ul style="list-style-type: none"> - Personal development opportunities, sharing of expertise. - Prioritisation of work and well-being at work. - Facilities and tools. - Consistent quality of supervisory work. 	<ul style="list-style-type: none"> - We implemented the Elisa Ideal Work concept in our Pasila, Tali and Tampere facilities. - We increased job rotation and training further.
Customers	<ul style="list-style-type: none"> - Customer and support services (especially queuing times). - Developing customer communications in disturbance and fault situations. 	<ul style="list-style-type: none"> - We analysed the underlying reasons people contact the customer service; by improving these, we are striving to further improve our customer service response time. - We continued to improve our online service website and provide answers to frequently asked questions on our support page. We procured more guidance videos related to the use of our services. - We renewed the change communications for our corporate customers to respond better to the needs of our customers. - We continuously update contact information so that messages reach the correct person in disturbance and fault situations. - We increased customer communication after measuring customer satisfaction.
Owners, investors and analysts	<ul style="list-style-type: none"> - Elisa meets the requirements set by owners and investors for responsible operation. 	<ul style="list-style-type: none"> - We are adding information on Elisa as a responsible investment on our investor pages.
Subcontractors, partners	<ul style="list-style-type: none"> - Elisa's Code of Conduct and Code of Ethical Purchasing. 	<ul style="list-style-type: none"> - We responded to subcontractors' corporate responsibility surveys.
Social operators	<ul style="list-style-type: none"> - The Finnish Competition and Consumer Authority presented its concerns about the need for clarity in service sales situations, in particular with regard to older people. - The coverage of the mobile network and the availability of fixed broadband in different areas. 	<ul style="list-style-type: none"> - We have special operating instructions for sales situations with the over-75s. - We continuously improve the availability of fixed broadband and the population coverage and capacity of the fast 4G network.

In connection with the stakeholder questionnaire, we asked our personnel to say what was Elisa's most important corporate responsibility action during the year. We received no less than 123 suggestions. In the view of our personnel, Elisa's most important corporate responsibility actions in 2015 included, among other things, the energy efficiency measures taken in Finnish and Estonian mobile networks, the improved usability of Elisa's website on mobile devices and the [RePack-pilot](#) promoting recycling of packaging.

Management of corporate responsibility

Corporate responsibility aspects are included in the company's strategy work, which is managed and prepared by *Elisa's Executive Board*. The Executive Board monitors the profitability of our operations and deals with matters with significant financial or other effects in accordance with the strategies and objectives decided by the company's Board of Directors and in line with risk assessments. *The Board's Audit Committee* discusses corporate responsibility issues based on proposals from the Executive Board.

The corporate responsibility policies and decisions are prepared by *the managerial board for corporate responsibility*, which includes representatives of the business units, support functions and Elisa's

Executive Board. The managerial board for corporate responsibility is chaired by *the Corporate Responsibility Director*. In 2015, Elisa's Executive Board discussed corporate responsibility issues systematically through scorecard follow-up.

Elisa's corporate responsibility function is part of the Administration unit, and the Corporate Responsibility Director is included in the managerial board for administration. Elisa's corporate responsibility function coordinates with business operations to develop the energy-efficiency and sustainability of its services, and acts in close cooperation with experts in communication, finance, security, HR and government affairs.

MANAGEMENT OF ELISA'S CORPORATE RESPONSIBILITY



Achievements in 2015

In 2015, we particularly invested in preparing for GRI G4 Core level responsibility reporting and meeting the requirements of the energy-efficiency directive in time. In addition, we published the Elisa Code of Conduct and signed the UN Global Compact. We updated our main policies and principles related to security.

We rescheduled the implementation of our diversity tool to 2016. With regard to the sourcing chain, we collected contact information for people in charge of corporate responsibility and prepared a preliminary survey of the emphases in suppliers' corporate responsibility.

In 2016, we will continue to implement the Elisa Code of Conduct as part of our daily routines and develop activities in accordance with the principles of the UN Global Compact. We will introduce Elisa's energy strategy, which is currently being prepared, within the framework of which we will continue to develop our climate-responsible operations.

Sustainable value for society

Elisa has a significant financial impact on Finnish society. Affordable communications services and the quality of our network play an important role from the point of view of Finnish competitiveness. We build and maintain a comprehensive communications network, and we invest nearly EUR 200 million in it every year. We are also an important employer, one of the largest payers of corporate income tax in Finland, and a good dividend payer for our owners.

We offer our services nationally for the whole country, and we are involved in the daily lives of almost everyone in Finland and Estonia. In terms of corporate responsibility, we have focused on climate friendliness for a long time now, and we continuously develop new, low-carbon services for our customers.

In our sponsorships and support cooperation, we focus on carefully considered targets, with whom we engage in long-term cooperation. Our partners are naturally linked to our operations, because they speak to extensive target groups, are responsible and correspond to our values. Read more in the corporate responsibility [section](#).

Case

In terms of added value, Elisa is the ninth most important company in Finland according to the study 'Suuret yritykset pienessä kansantaloudessa' ('Large companies in a small national economy') published on 25 March 2015 by ETLA, the Research Institute of the Finnish Economy. The operations of the largest companies in Finland are reflected in the development of the entire Finnish national economy. Familiarise yourself with the ETLA study on the website of [the research institute](#) (in Finnish).

Financial effects

As a responsible company, our task is to take care of the financial profitability and competitiveness of our operations. This allows us to continuously develop our services, build and maintain our communications network and provide jobs.

Elisa's productive operations produce financial benefits for our shareholders, personnel,

partners, subcontractors, resellers, customers, municipalities and the state.

Our objective is that our long-term and consistent strategy will continue to produce added value for our stakeholder groups in the future.

Elisa's medium-term objectives up to the end of 2017

Revenue growth

EBITDA margin

Capital expenditure investments/revenue

Net debt/EBITDA

Equity ratio

Growth outperforming the industry

>36 per cent

≤12 per cent

1.5–2x

>35 per cent

Value for our owners

Elisa's shares are listed on the Nasdaq Helsinki. We have over 200,000 shareholders, of which 27 per cent are Finnish households, 31 per cent are domestic institutions, and 42 per cent are foreign.

Our profit distribution policy corresponds to 80–100 per cent of the previous fiscal year's earnings. From the beginning of 2003 to the end of 2015, the total shareholder return on Elisa's share has grown by 1,320 per cent equalling annual growth of 22.6 per cent. In 2015, we paid 94 per cent of the result for 2014 in dividends, a total of EUR 211 million, which equals EUR 1.32 per share.

Tax contributions everywhere in Finland

In Finland, we were the tenth largest payer of corporate income tax in 2014 measured in a company-specific manner, and by far the largest taxpayer in our reference group. We paid 90 per cent of all the taxes paid by Finnish telecommunications operators.

The taxes paid and accounted for by us in Finland totalled EUR 345 million. Of this, the share of corporate income tax was EUR 56 million. Our productivity has a country-wide impact, as corporate income taxes are allocated in proportion to the offices of Elisa Group's personnel. Of the corporate income tax paid by Elisa in 2015, municipalities will receive 36.87 per cent, half of which was channelled to the Helsinki

metropolitan area and half to other localities in Finland. By paying taxes and other public levies, we participate in the development of society as a whole.

In Estonia, the company only pays corporate income tax if it pays dividends to its owners. Elisa Estonia has not paid dividends to its parent company.

Significant investments in Finland

We are the most significant operator investor in Finland by our capital expenditure investments of nearly EUR 200 million. We build and maintain a comprehensive communications network in our main market areas in Finland and Estonia.

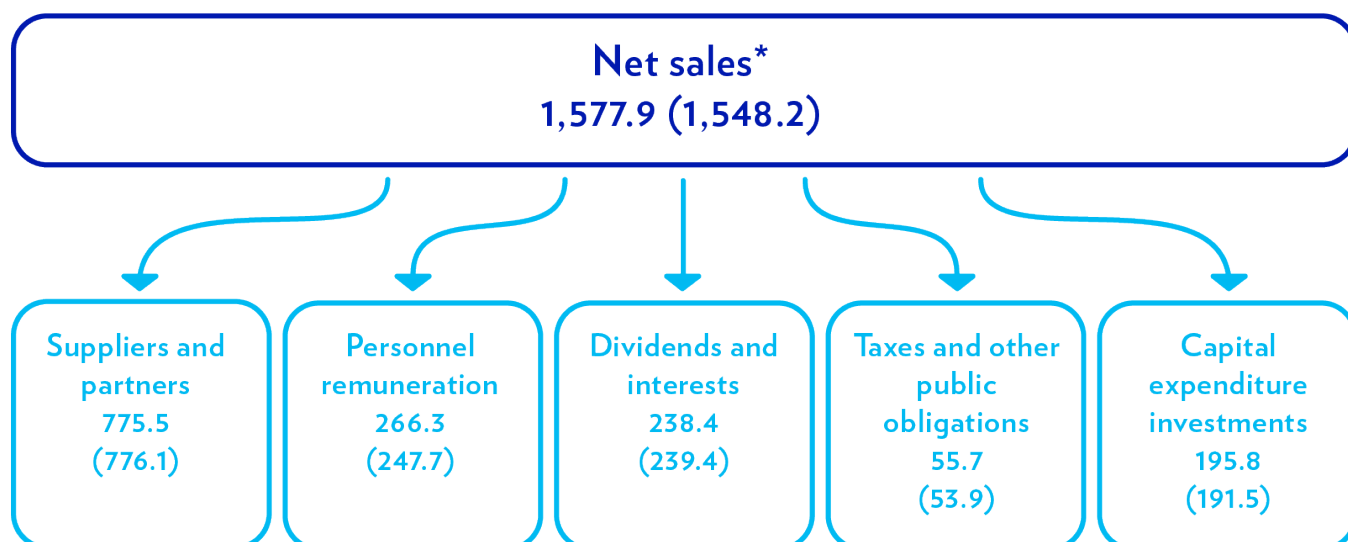
In 2015, our capital expenditure investments totalled EUR 196 million. Our investments were allocated directly to the development of the data communications infrastructure, 4G networks, the fixed trunk network, IT systems and customer terminal equipment.

Case

In October, Elisa and the European Investment Bank (EIB) signed a loan agreement of EUR 150 million. By the loan, the EIB supports Elisa's investments in 4G networks in Finland and Estonia. Finland already now uses mobile data the most in the world. Amounts of data will increase in the future as video traffic increases and more and more devices are connected to the Web through the Internet of Things. Environmentally friendly ICT and online solutions also significantly reduce carbon footprint. There is more information on the loan agreement and its objectives in [Elisa's press release](#).

FINANCIAL EFFECTS

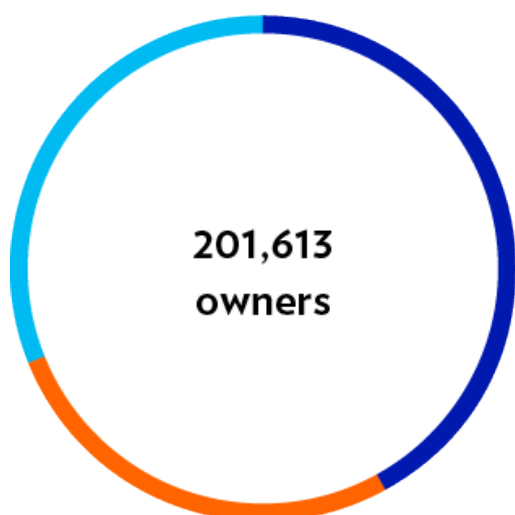
EUR million, (2014 figures)



*incl. major subsidiaries

Figures according to GRI. Capital expenditure investments differs from GRI definition and doesn't include investments in licenses.

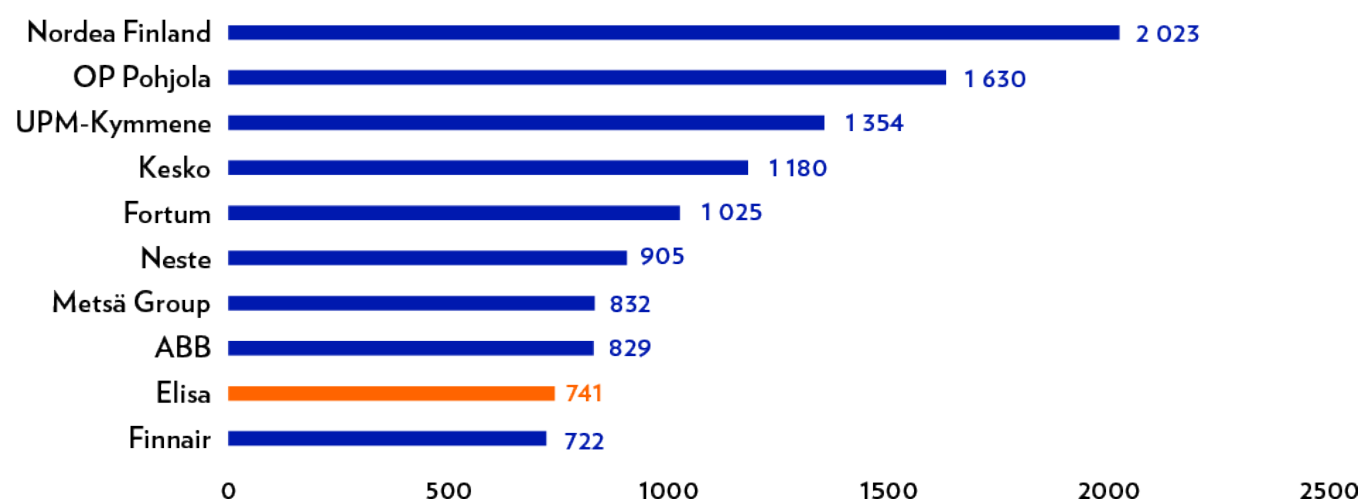
DISTRIBUTION OF ELISA'S SHAREHOLDINGS AND THE NUMBER OF OWNERS ON 31 DECEMBER 2015



- Foreign shareholders 42%
- Finnish households 27%
- Finnish companies and institutions 31%

9TH MOST IMPORTANT COMPANY IN FINLAND

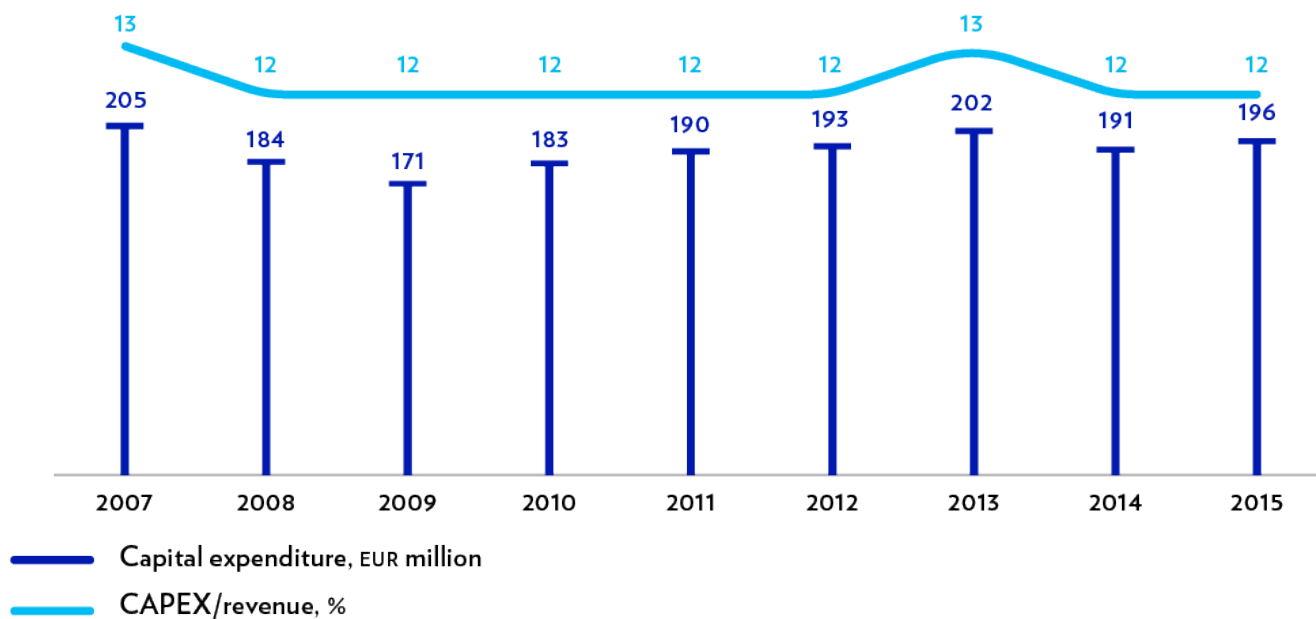
Value produced EUR million



Source: The Research Institute of the Finnish Economy study 24 March 2015

Criteria: Value produced by companies in Finland (value added = profit – capital assets sales + depreciation + personnel costs)

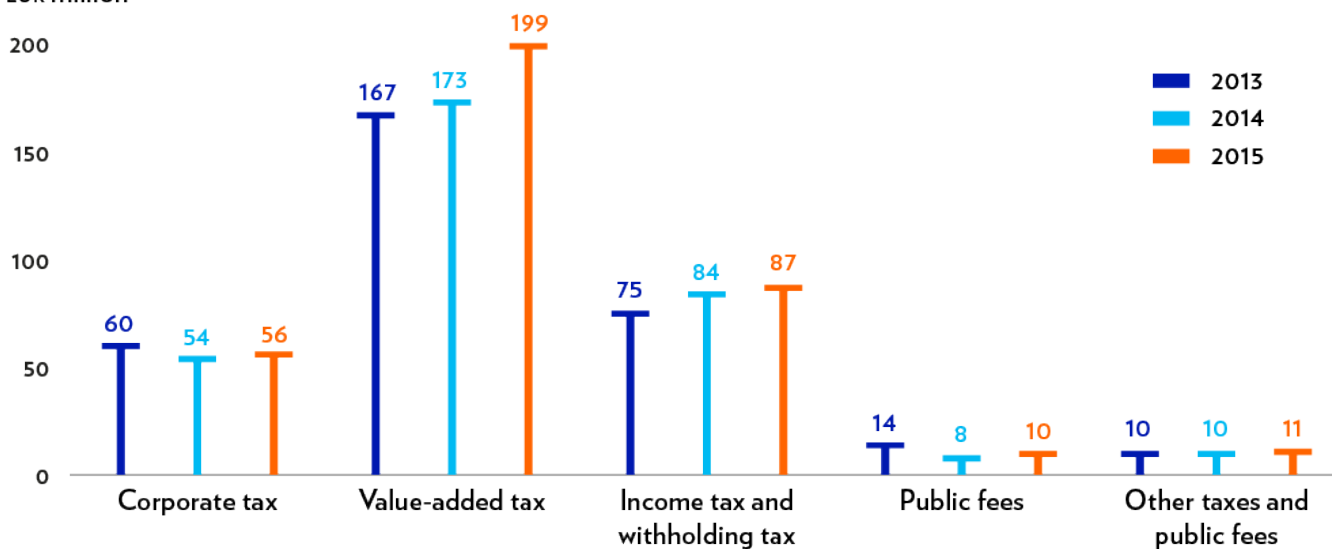
ELISA'S CAPITAL EXPENDITURE 2015



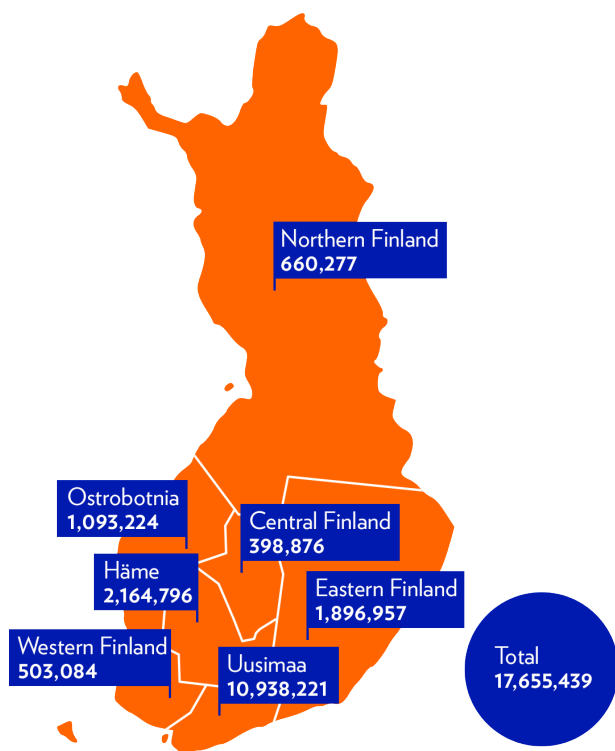
2011 excluding the EUR 7 million long-term server centre equipment lease agreement.

ELISA'S TAXES

EUR million



MUNICIPALITIES SHARE OF ELISA'S CORPORATE TAX IN REGIONS IN 2014 (EUR)



An extensive network enables services for all

Utilising digital services requires a fast and reliable nationwide network. Accordingly, the majority of our investments in 2015 were also directed towards improving the functionality of the mobile phone network and extending its accessibility. Our task as part of Finnish society is to ensure comprehensive and reliable mobile and data communications connections. We also play an important role in securing operational reliability in society.

We are bound by the [universal service obligation](#) set by the Finnish Communications Regulatory Authority. Universal service means the right of consumers and companies to receive an affordable and faultlessly operating telephone subscription and a 1 Mbps broadband connection to their home or the business premises of their company in Finland. Elisa has been designated as a universal service provider in certain areas in Finland.

We measure the coverage and availability of our network through a population coverage indicator. We also monitor the independent study by ECE Ltd on the coverage of operators' networks in Finland. According to its results, our 4G network was the most comprehensive network in Finland in 2015. More information is available at <http://elisa.fi/vertaaverkkoja/> (in Finnish).

Case

The Finnish Communications Regulatory Authority has set a construction requirement, according to which 97 per cent of Finns must be within the coverage of the 4G network by 2019. Some 97.5 per cent of Finns were within the coverage of Elisa's network already in June 2015. We expanded and increased our capacity, particularly in Northern Finland. The network expansion work is ongoing. [Read more](#) (in Finnish) about the development of our network.

We prepare in advance for disturbances and proactively collect up-to-date information from our network service, analyse it and perform the necessary fault repair measures before a disturbance arises.

Our proactive operating model and continuous improvement of our operations has enabled us to reduce the number of disturbances, regardless of the growth in the volume of services. In case of extensive fault situations, we have specified a special management process. We develop the process continuously, for example, in case of extended fault situations caused by exceptional weather conditions.

We cooperate with electricity companies to coordinate reserve power needs in risk areas. Units maintaining networks practise regularly for emergencies.

Case

Summer events cause congestion in the networks. Elisa again closely monitored major events in the summer to ensure functioning connections. We prevented the congestion of networks by the use of movable base stations, for example. Read on the [Elisa website](#) (in Finnish) how we increased the capacity of the network during Provinssirock, for example.

the industry. More than half of our base stations are in shared use.

In the management of disturbances, communications play a significant role. We invest in proactive and comprehensive communication. We initiate communication with customers as quickly as possible after an extensive disturbance has been detected, and we communicate the progress of fault repair until the disturbance is resolved.

Case

Multichannel, proactive communication increases customer satisfaction in situations where a service interruption occurs. Accordingly, we communicate planned network modification work in advance and sudden disturbances as soon as possible. Disturbances and changes may be followed in our [disturbance map service](#) (in Finnish), on the cable TV information site 380 and on channel 860 of the Elisa Viihde service.

In 2015, we managed to further reduce both the total number of faults and, in particular, the number of significant disturbances. We measure the reliability of our service with an availability indicator and by monitoring the development of the total number of faults.

We invest in the careful positioning of our base stations. The construction of masts, base stations and transmission stations requires a municipal permit and good statutory cooperation with both individual housing companies and landowners. In the siting of base stations, we extensively utilise construction sites shared with other operators in

Research and development

We operate in an industry where the services of the future are built through continuous development, innovation and cooperation between stakeholders in different fields. We are closely involved in research projects and startup activities in the industry. Through this, we also promote the development of digital society. Our operations are also centrally related to providing trainee positions for students who have been successful in their studies in higher education institutions.

Elisa promotes world class research

We have established strong cooperation between academic researchers and Elisa's business operations. The research collaboration promotes our strategic choices, because it increases our understanding of new business changing innovations in science.

We continuously look for new opportunities for cooperation with the best international researchers in different scientific fields. In 2015, Elisa Research brought Elisa employees and over 150 new world class researchers together, and carried out research in 25 research projects. The level of operations was evaluated in an external study that assessed it as an example of excellence in networking with academic research.

In addition, through HPY Research Foundation, we support scientific research, teaching and development work in Finnish telecommunications technology, telecommunications and data communications. Up to 2015, the HPY Research

Foundation has granted a total of EUR 934,710 in scholarships, mainly to researchers preparing dissertations in different universities. The library of the HPY Research Foundation includes approximately 90 dissertations.

Close start-up cooperation

Being involved in and developing innovative startup activities is crucial for Elisa. During 2015, we improved the effectiveness of our operations to be an even more easily approachable partner for new companies. We aim for cooperation that benefit business for both parties, in which we could act as an early phase customer for startups or offer our effective sales channels to our partners.

Elisa is currently doing business with dozens of startup partners. This year, we were also a major cooperation partner in the startup event, Slush.

Case

One of our newest startup partners is RePack, which offers recyclable packaging, which we detected at the 2014's Slush event. Cooperation with RePack has strengthened Elisa's ability to introduce environmentally friendly solutions. During the second half of the year, we implemented a pilot project where approximately 500 new Elisa Viihde customers received their set-top box in RePack packaging. The returned packaging will be re-used. Get to know [RePack](#) and read more about [Elisa's startup activities](#).

Our corporate responsibility focuses on climate and energy

The products and services of the ICT business play a significant role in reducing the global carbon footprint. To be able to reduce the CO₂ emissions of other industries as well, the ICT business has to manage the environmental impact of its own operations. Currently, the operations of the industry make up approximately 2 per cent of the carbon footprint of the entire world. The carbon footprint of the industry is predicted to decline, even though the amount of data and equipment continues to grow every year on a global scale.

Elisa wants to participate in creating a society with low carbon emissions. For us, environmental responsibility requires, above all, long-term and transparent operations to prevent climate change. Curbing emissions has been a part of our strategy since 2009. We monitor our objectives every six months through the CO₂ emission savings scorecard. Energy efficiency of our operations is monitored through sub-meters of the scorecard. Elisa's own carbon footprint is calculated once a year. See how our customers benefited from our low-carbon solutions [in 2015](#).

Case

In the international CDP Nordic Climate Change 2015 report, Elisa's climate reporting received full points 100B out of 100A. At the same time, Elisa was included in the Climate Disclosure Leadership 2015 (CDLI) index. The average points for Nordic

companies were 84C. The climate reporting produced by Elisa for investors and the global market has been assessed to be top level among Nordic companies and among telecommunications operators. We report our carbon footprint annually in the CDP questionnaire. Read more about our climate report [in our press release](#).

Reducing our carbon footprint with renewable energy

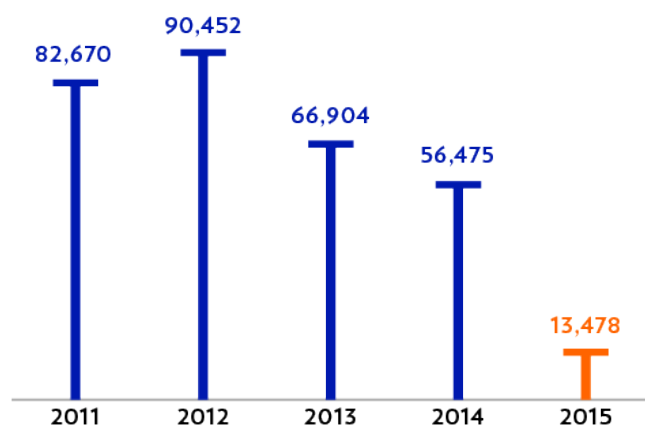
Elisa's goal is to control energy consumption and reduce its carbon footprint despite its growing business operations. The energy consumption of our data communications network in Finland and Estonia makes up approximately 80 per cent of our carbon footprint.

We need energy to maintain our services and move data around in our network. Accordingly, we allocate our measures primarily to the energy consumption of our network by sourcing renewable energy and optimising our energy use.

Elisa's carbon footprint in 2015 was 13,478 tCO₂ (56,475). Our carbon footprint decreased by 76 per cent (17). The sourcing of renewable energy in Finland and Estonia had a significant impact on the reduction of our carbon footprint.

ELISA'S CARBON FOOTPRINT

tCO₂

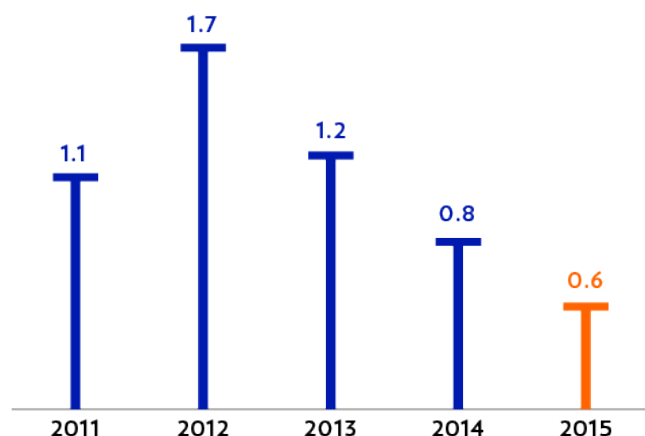


Almost all our electricity, approximately 215,000 MWh (128,000), comes from renewable sources, and its form of production and origin are verified by certificates of origin. In Estonia as well, we started to use renewable energy verified by certificates of origin, the sourced amount of which was 25,050 MWh.

We continuously take measures to reduce energy consumption in our mobile networks. As a result, we have obtained savings of almost 5,000 MWh (10,000). According to preliminary estimates, we can continue to reduce our annual electricity consumption by 74,000 MWh by 2019. This is possible through the redesign and modernisation of the network and new electricity saving features.

ENERGY EFFICIENCY OF MOBILE DATA TRANSFER

kWh/GB



In 2015, we continued to optimise the energy consumption of our data centres:

- In larger premises we modernised the cooling systems, which now permit increased free cooling.
- We improved the cooling and ventilation solutions in mobile and small sites by modernising solutions and using e.g. direct free cooling.
- We modernised the supervision and remote use systems of the centres and optimised temperatures.
- We continued the renewals of UPS and direct current systems. In UPS equipment, the efficiency (i.e. minimising power dissipation) is crucial from the point of view of energy consumption. The efficiency of new equipment may be as high as 96 per cent.
- In Estonia, we replaced old base stations with new ones with 40 per cent higher energy efficiency. Currently, we have obtained savings of approximately 2.5 GWh.

Case

In Elisa Estonia, we implemented a solar power pilot scheme in one base station in 2015. The solar power panel has 1.5 kW power, and it operates at maximum power on a sunny day. At times when solar power is not available, we use mains electricity. The results have been positive, and we intend to expand these pilots to ten base stations in Estonia next year.

Our data centre in Espoo is one of the first in Finland to use heat loss energy. The solution makes it possible to fully utilise the heat energy generated by data centre servers for district heating in the region. We achieved 610 tCO₂ in

emission savings¹ (749) through reusing heat. This corresponds to the amount of electricity used to heat 77 single-family houses.

Other effective ways of saving energy in data centres are using virtual servers and dynamic sharing of disk space. Almost 60 per cent of our own servers are already virtual, and they are being optimised to be even more energy-efficient. We achieved emission savings of 2,454 tCO₂ (1,108) through virtualising our own servers¹.

¹ Calculation basis of Elisa's CO₂ emission indicators and additional information [on our website](#).

Case

We updated our company car policy in 2015 so that it encourages people to choose low-emission alternatives. Elisa employees at the Pasila office also had an opportunity to test drive new-generation electric cars.

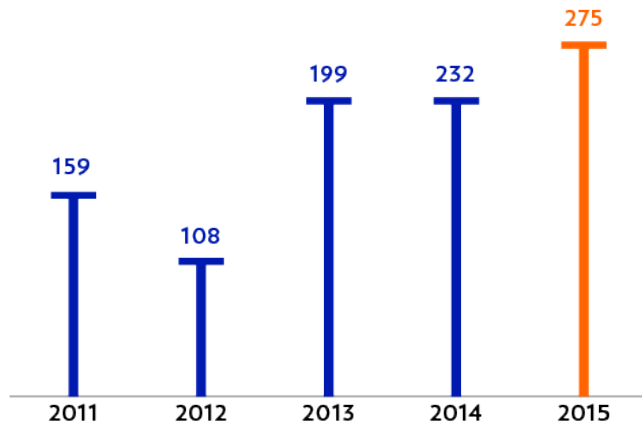
Recycling of ICT equipment

With regard to electronic products, batteries and packages we provide to the market, we are bound by the producer responsibility law. It stipulates that the producer is responsible for the waste management of a decommissioned product. With regard to packaging, the act requires that it is utilised as either material or energy.

In Finland, our shops have WEEE (waste electrical and electronic equipment) collection receptacles, through which waste is taken for re-processing to become material for new electronic devices. We pay customers to return unbroken, functioning devices to encourage them to return old electronic devices instead of throwing them away. Our shops also have collection boxes for mobile phone batteries and other portable batteries.

WEEE (WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT)

tonnes



In Estonia, Elisa's shops accept used batteries. Used electronics may be returned without charge to Kuusakoski recycling points, for example. Elisa

Estonia's own electronics waste is recycled by Kuusakoski.

EN3 ENERGY CONSUMPTION WITHIN THE ORGANISATION (GJ, GIGAJOULE)

Direct energy consumption by primary energy source

	2011	2012	2013	2014	2015
Usage of diesel and petrol	2,194	1,898	3,342	3,042	2,435
Usage of oil	n/a	2,700	3,382	3,280	3,538

Indirect energy consumption by primary sources

	2011	2012	2013	2014	2015
Elisa Corporation electricity	785,524	824,339	710,751	765,782	785,268
Elisa Corporation heating	72,137	76,392	64,937	66,776	56,957
Elisa Corporation cooling	10,576	17,524	16,446	15,828	16,797
Elisa Estonia electricity	66,805	67,723	84,404	94,432	86,125
Elisa Estonia heating	940	2,538	3,467	34671	2,404
Renewable energy (electricity) (water)	0	0	230,400	460,800	864,180

¹ Figure from year 2013

EN6 ENERGY SAVED DUE TO CONSERVATION AND EFFICIENCY IMPROVEMENTS (GJ)¹

	2011	2012	2013	2014	2015
Multi space offices (electricity and heating)	32,411	25,391	25,115	28,720	39,832 ²
Energy efficiency in server environments (electricity)	36,423	31,936	26,888	18,623	26,010
Reuse of server generated heat	17,561	18,010	16,636	15,869	16,913
Total	86,395	75,336	68,639	63,212	82,754

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

² The boundary of the calculation has changed, please see chapter Description of the report

EN7 REDUCTION IN ENERGY REQUIREMENTS OF PRODUCT AND SERVICES (GJ)¹

	2011	2012	2013	2014	2015
Transfer to virtual servers	15,405	23,223	42,702	61,718	85,026

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

EN16 TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT (TCO₂, TONNES OF CARBON DIOXIDE)

	2011	2012	2013	2014	2015
Scope 1, Direct greenhouse gas emissions	162	332	486	339	430
Scope 2, Indirect greenhouse gas emissions	88,264	81,041	59,351	49,141	4,346

EN17 OTHER RELEVANT INDIRECT GREENHOU S GAS EMISSIONS BY WEIGHT (TCO₂)

Sources of scope 3 emissions	2011	2012	2013	2014	2015
Building of mobile network (basestations)	1,987	2,351	1,159	1,202	3,328
Business travel	1,791	2,133	1,992	1,925	1,579
Employee commuting	3,060	3,550	2,904	30,011	3,054
Waste generated (parent)	60	61	69 ¹	52	53
Other: paper invoicing	958	899	782	617	539
Other: e-invoicing	42	67	94	115	127
Other: office paper	17	10	56	7	4
Other: waste water treatment	9	11	10	14	18

¹ Basis of calculation changed: added WEEE waste

EN27 EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES (TCO₂)

	2011	2012	2013	2014	2015
Reduced customer CO₂ emissions¹	8,334	19,156	21,965	30,971	32,313
Virtual conferencing	7,307	17,395	18,931	26,921	26,447
Cloud services	993	1,685	2,982	4,001	5,563
Reuse of mobile devices	34	76	52	49	303

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

EN19 REDUCTION OF GREENHOUSE GAS EMISSIONS (TCO₂)¹

	2011	2012	2013	2014	2015
Emission reductions in service production	6,898	9,860	10,029	19,525	49,633
Mobile work, scope 3	2,604	3,532	4,198	4,406	8,817
Computer rooms, scope 2	3,738	4,808	3,797	5,029	6,075
Reuse of products, scope 3	333	1,179	1,356	1,300	1,496
Electronic invoicing, scope 3	223	340	678	823	914
Emission savings in mobile network, scope 2 ¹	n/a	n/a	n/a	7,967	32,331

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

THE OVERALL WEIGHT OF RECYCLED ELECTRICAL AND ELECTRONIC EQUIPMENT WASTE (T, TONNES)

	2011	2012	2013	2014	2015
WEEE (Waste Electrical and Electronic Equipment)	159	108	199	232	275

IMPACT AND MANAGEMENT OF CLIMATE CHANGE

Impact	Description	Impact assessment	Risk management/opportunity
Taxation amendments	Changes caused either directly or indirectly by climate change in the taxation of electricity, taxation of transmission of electricity and any carbon dioxide tax.	Amendments in taxation increase Elisa's costs. For example, the taxation increase at the beginning of 2015 (0.3%) increased the costs of Elisa's electricity consumption by approximately EUR 24,000. (The tax is allocated to consumption of electricity, tax band 1).	Optimisation of the electricity consumption of the data communications network, introduction of energy-efficient solutions and sourcing of renewable electricity. Energy-efficient operations reduce operational costs and enable us to offer solutions to customers at a competitive price.
Changes in regulation	The EU Energy-Efficiency Directive obligates large companies to perform a company-level and one target-level energy audit at the latest in 2015 and every five years after that. Future climate change legislation may result in new requirements for companies.	It will potentially increase the need for even more detailed measurement and monitoring of energy consumption.	We responded to the requirements of the Energy-Efficiency Directive in time. Our customers achieve their own energy-efficiency targets by means of products and services from the ICT industry.
Extreme weather phenomena	Climate change causes extreme weather phenomena that are a threat for Elisa's mobile networks. Storms cause power failures and interruptions in Elisa's services.	In 2015, there were four serious disruptions caused by weather. The increase in the number of disruptions causes higher personnel costs and costs incurred in replacing broken equipment.	Elisa has in place a real-time, comprehensive monitoring system for network disturbances. This enables identification of disturbances and rapid repairs. The demand for real-time measurement and monitoring services will increase in the future.
Changes in average temperature	Rising average temperatures and heat waves will increase the need for cooling in Elisa's telecommunications and data centres and facilities.	Costs will increase due to the increased electricity consumption incurred from investments in cooling devices. On the other hand, in mobile sites, the technology is moving outside.	Elisa has a data centre in Espoo that uses heat loss energy generated by the data centre servers for district heating in the region.
Growing environmental awareness of our stakeholders	Climate change increases the environmental awareness of Elisa's stakeholder groups. Reporting to stakeholders is increasing, as are the requirements for climate-friendly operations.	Any failure to respond to the growing requirements of stakeholder groups will affect Elisa's reputation.	Elisa's services make it possible to build a lower-carbon society. Growth in Elisa's business, such as the visual services business and other ICT services, may also create new business operations.

Elisa's supply chain

Cooperation with suppliers and subcontractors is vitally important to the development of Elisa's business. We source a significant amount of services, materials and equipment from external suppliers.

The sourcing organisation of the Financing and controlling unit is responsible for Elisa's sourcing. It is divided into three responsibility areas: services, products and IT and system sourcing.

We mainly source network or information system equipment or phones from known international suppliers. The majority of services are sourced from our operating countries, except for special support and development services which are sourced from abroad.

We place special emphasis on assessing the energy-efficiency, life cycle and operational reliability of the equipment. In various projects, we use alternative calculations modelling the life cycle and energy efficiency of the solutions offered.

Supplier cooperation plays an important part in the guidance and development of sourcing. To develop our cooperation with significant suppliers, we have established steering groups between the supplier and Elisa, which convene regularly. The steering groups guide the supplier cooperation by monitoring the implementation of objectives and projects, and by agreeing on development projects to improve cooperation. We also attempt to share best practices in our supplier network. We want to promote the implementation of the Code of Ethical Purchasing together with our suppliers.

Responsibility of purchasing is guided by Elisa's Code of Ethical Purchasing, our Code of Conduct, compliance with Act on Contractor's Obligations and Liability and Elisa's instructions and principles related to security.

We require that our suppliers comply with laws and regulations. When signing the agreement, the supplier accepts Elisa's Code of Ethical Purchasing and commit to comply with international principles and agreements guiding the use of labour and human rights, managing the more efficient use of limited resources and reducing harmful environmental emissions.

We perform supplier audits when selecting new suppliers outside the EU, especially from high-risk countries. To be selected, the supplier must also pass an assessment following our inspection protocol.

Bribery and other inappropriate payments and benefits in business operations are illegal and forbidden at Elisa. We also require all our partners and subcontractors to engage in anti-bribery practices. Instructions for anti-bribery practices are available in [Elisa's Code of Conduct](#).

Suppliers have an opportunity to report any misconduct anonymously to Elisa.

In 2015, we clarified our supplier audit practices and continued to survey the corporate responsibility emphases in our supplier network.

Responsibility for customers

In our business operations, we invest in the trust of our customers, the functionality of our services and data security. We continuously develop new services for our customers and work hard to improve their smooth functioning and usability on the basis of customer feedback. By preparing in advance, we also improve the customer experience in any disruptions and data security problem situations. The Consumer Customers and Corporate Customers sections of the annual report provide more information on our services for these customer groups.



Video: www.youtube.com/watch?v=uqfGiGFdAQw

Case

We want to surprise our customers positively every day. See which elements create unexpectedly good customer service. Video only in Finnish.

Customer satisfaction steers our activities

Customer orientation is one of Elisa's values. To us, it means high-quality and proactive activities that take the needs of the customer into account. Accordingly, customer orientation is a material indicator guiding our operations, and one of Elisa's most important scorecard metrics. The key factor is the continuous improvement of customer understanding through active interaction.

Our dialogue with our customers is bilateral. We use the systematic Net Promoter Score® (NPS) indicator as our primary metric to measure customer satisfaction. In addition, we collect and monitor customer satisfaction by using customer questionnaires and surveys and continuously in connection with customer encounters.

The results of the analyses are reviewed in the management teams of our business operations, who separately decide on any development action. We monitor our measures in our business operations and also regularly inform our customers of their progress.

The measures taken to improve customer experiences during 2015 are presented in the [stakeholder dialogue section](#).

Case

Long-term investment in sales and sales expertise brings results. This was revealed in the Best Sales Organisation in Finland competition held for the fifth time, where Elisa's corporate sales was the winner in 2014. The aim of the competition is to promote sales culture and increase the valuation of sales work in Finland. Find out about the [success story of Elisa's corporate sales](#) (in Finnish).

We are also developing our electronic customer feedback service. In 2015, over 85 per cent of our customer encounters occurred in our electronic transaction channels, such as the OmaElisa channel.

Our marketing is based on [laws and the regulations of the industry](#). The Finnish Competition and Consumer Authority supervises and provides guidelines for marketing in the industry. Our customers have the right to opt out of direct marketing.

In December 2015, we were prohibited by the Market Court from using the expression "Ei typerää datakattoa" ("No stupid data limit") in our marketing valid from 1st of January 2016.

The Consumer Protection Act, the Personal Data Act and certain special acts, as well as guidelines and regulations from the authorities, apply to telephone marketing. Elisa's subsidiary Enia is responsible for Elisa's telephone sales service. Its quality monitoring ensures that the agreed rules are complied with. In 2015, we further enhanced our sales instructions.

We deal with feedback from telephone sales according to the customer feedback process, and attempt to improve our operations on the basis of the feedback.

Information security and privacy protection

Ensuring the confidentiality of communications and protecting the privacy of individuals are crucial issues for us. We guarantee a high level of data security, which is also important from the point of view of our customer's trust and our responsible operating methods. Our personnel and subcontractors are bound by confidentiality agreements. Protecting privacy includes guarding the content of messages, information about the parties to the communication, and their personal data, i.e. information that can be connected to an identifiable person.

Being able to reliably identify people plays a key role in the majority of digital services. We have introduced stronger identification in our services and developed strong identification solutions, such as the mobile certificate, in cooperation with other Finnish operators.

We perform regular data security scans and inspections in our systems. We seek to identify any attempt to breach information security at the earliest possible phase and to repair recognised vulnerabilities or other threats. We use a separate operating model for the management of data security disturbances and exceptional situations. Situations are rehearsed and our activities are

developed on the basis of experience. We communicate any measures related to the data security of our services in the most appropriate manner on our website or through customer bulletins. We also report incidents to the authorities.

As a producer of national critical infrastructure, we plan our services and implement our systems by also taking account of preparation, continuity and security aspects. We cooperate with the authorities, other companies and business organisations in terms of preparation and the development of cyber security. We also produce services for our customers that help them to prepare for exceptional situations and manage cyber-risks and situations directed at their own operations.

Case

In addition to opportunities, digitisation involves risks. In 2015, we established a new cyber-security centre, by means of which we offer our customers preventive, real-time security to monitor and combat a variety of threats. Read on our [website](#) (in Finnish) how Elisa helps companies to protect themselves against cyber-attacks.

ELISA'S INFORMATION SECURITY ORGANISATION



The key tasks set by Elisa's Executive Board for the Security Governance Board are to decide on security-related policies, supplementary principles and security-related strategic policies and to monitor the management of key security risks. The areas of security include the management of security risks, data security, privacy protection and facility security. The policies and principles cover the operations of Elisa and its subsidiaries, and, through agreements, also the services produced by Elisa's subcontractors.

The corporate security organisation and the security functions of business operations make up Elisa's security organisation. The corporate security organisation manages the separate privacy protection, data security and operational security groups, the task of which is to coordinate our security operations.

Elisa's Information Security Group is responsible for our data security policies and decides on instructions, training, communication and key data security audits, and assesses the effects of the data security requirements of our stakeholder groups. We manage the data security of our services through operating methods suitable for the severity of the threats, the technical development level and costs.

The liability for the privacy protection related to products and services and other security aspects rests primarily with the business units. The task of

the Privacy Group, in turn, is to provide instructions and supervise issues related to privacy protection and ensure, among other things, that statutory information about our customers register is up to date. Processing personal data is strongly regulated under Finnish law and the regulations and guidelines of the relevant authorities. We disclose customer information to the authorities or other telecommunications companies only within the limits of legislation and in accordance with the customer register information. Our employees and subcontractors are bound by a confidentiality obligation when processing customer data. We also continuously train our personnel in security and privacy issues.

The EU General Data Protection Regulation will enter into force in 2016 with a transition period of two years. We started to prepare for the changes already in 2013 to ensure operations in accordance with the Regulation.

In 2015 we received one clarification request from FICORA in 2015. Elisa made the necessary corrective measures, and provided the necessary reports on the matter. The debate is closed. There may be few additional substantiated complaints regarding breaches of customer privacy and losses of customer data which have not been reported to the parent company. We are working on improving reporting practices to cover all the substantiated complaints regarding the matter.

We have updated the guidelines and policies related to Elisa Group's data security and privacy protection. In Elisa Estonia, the personal data processing guidelines were updated.

Some of Elisa customers have been subjected to Phishing. Phishing is a criminal activity, aimed at

gathering confidential information such as e-mail IDs, passwords and payment card details. Elisa has instructions for the customers to prevent phishing. Instructions and more information can be found on our [website](#) (in Finnish).

ELISA'S DATA SECURITY AND SECURITY TRAINING IN 2015

Security training	Number of persons*
Data security training	1,977
Training in processing personal data	2,046
Training in processing communication traffic data	1,997

*includes personnel in corporate security.

Everyone in Elisa has the right to work in a healthy and safe working environment, where it is not accepted to act against any human rights. All security personnel working permanently in Elisa have conducted statutory training according to Finnish law and in addition they have been trained to Elisa Code of Conduct.

The security of Elisa's data centres is managed by means of, among other things, strictly limited access rights. The requirement for receiving access rights includes, besides necessity due to work, passing a security clearance and mandatory security training.

Case

Elisa's equipment facilities and data centres are not among the most familiar places for firemen. Accordingly, Elisa has a team of 20 people trained for smoke-diving, which consists of members of production and security organisations. The purpose of their operation is to assist and guide rescue authorities in our underground equipment facilities and perform damage surveys in fire situations. Their training ensures that our extinguishing expertise remains at an excellent level.

Accessibility, ease of use and security of our services

The ease of use and accessibility of our services are part of Elisa's superior customer experience. As a leading telecommunications operator, we want to ensure that all the services we offer are available for all on the terminal devices our customers choose.

Preventing discrimination and realising equality require [accessibility](#) (in Finnish). We are bound to provide universal services that guarantee people with disabilities the corresponding telephone services they need.

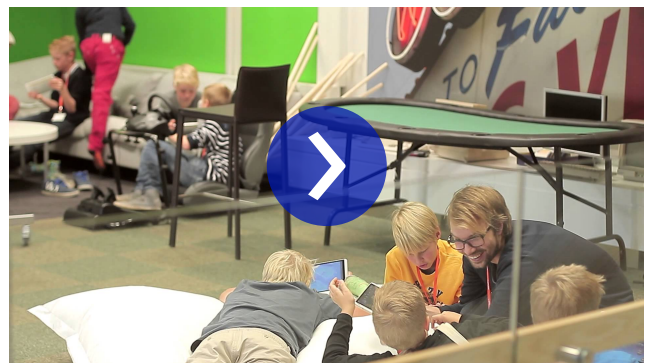
We invest in development work, and follow the principles of the customer relationship path. We seek feedback and information to improve our services through accessibility analyses of the customer interface. Through user testing, we collect information on the usability of Elisa's transaction processes, the ease of doing business with Elisa, and how clear and understandable our pricing is.

Our customer base is diverse, and, accordingly, we extensively include in testing all kinds of customer groups. For example, we organised a service user testing workshop for the visually impaired, and a development event for children about the Elisa Lompakko service. With internationalisation, we have also increased our ability to produce services in different languages.

Elisa services are increasingly used on mobile devices, which places special requirements on the design of services with regard to navigation, service content and functionalities. Almost all

design work on the website was carried out according to the mobile first principle.

We continued to invest in digital schools for children and opened a [service for families](#) (in Finnish) on our website to support digital parenting.



Video: www.youtube.com/watch?v=s_73FAxFji0

Case

Familiarise yourself with the secrets of programming and enter the Elisa digital school for children. How can you make a mobile game? And what is programming? Video only in Finnish.

Radiation from base stations and mobile phones and health problems that they may cause have given rise to concerns for as long as mobile phones have existed. About thousand directly relevant international studies have been published; according to these studies, it can be said that there is no health effects observed below the ICNIRP guideline values.

In Finland, the safety of mobile phone networks is monitored by the Radiation and Nuclear Safety Authority (STUK) decisions and regulations are based on numerous scientific research findings. Elisa also engages in close cooperation with operators in the industry with regard to electromagnetic fields, and acts as an expert member in the electromagnetic fields advisory board.

With regard to product safety, we act in the manner required by legislation and regulations. At Elisa, the liability for product safety rests with the business unit that put out the product or service in question.

Low-emission alternatives for customers

We assist our customers in reducing their carbon footprint by offering services that help our customers act effectively and in an environmentally friendly manner. Globally, the products and services of the ICT industry may enable emission savings of 20 per cent by 2030. Read more about Elisa's energy efficiency measures and its carbon footprint [here](#).



Video: www.youtube.com/watch?v=IDlksoWRUcl

Case

What does the Internet of Things – IoT – mean? In 2015, we introduced Elisa's IoT (Internet of Things) platform. In the low-carbon world of the future, IoT will play an important role, because it makes it easy to test new ideas quickly, and by means of increasing information we can improve functions in completely new ways.

By using Elisa's solutions, our customers achieved emission savings of 32,313 tCO₂¹ (30,971). The greatest savings achieved came from the use of virtual interaction solutions, 26,447 tCO₂ (26,921). They replace travelling, which reduces not only

carbon dioxide emissions, but also other emissions from transport. In addition, it is possible to save on energy consumption in facilities when the need for office space decreases.

By means of [cloud services](#) (in Finnish), our customers saved 5,563 tCO₂¹ (4,001). Our cloud services provide our customers with a virtual server instead of a traditional server solution. The benefit is better optimisation of operating capacity and the associated energy efficiency.

We have also partly shifted to electronic invoicing as a natural part of the digital transition. We annually send approximately 28 million invoices, of which 65 per cent are electronic. With regard to order confirmations, 85 per cent are sent electronically. In 2015, we saved 914 (823) tonnes of carbon dioxide thanks to electronic transmissions.

¹ Calculation basis of Elisa's CO₂ emission indicators and additional information on our [website](#).

Description of the report

Elisa's annual report consists of four parts: the financial statements, annual review, corporate governance and responsibility. The annual report is published in electronic format in Finnish at www.elisa.fi/vuosikertomus and in English at www.elisa.com/annualreport.

This is Elisa's third verified responsibility report, which is published as part of the annual report. The report has been prepared according to the Global Reporting Initiative GRI G4 Core requirements of the Global Reporting Initiative and sector specific guidelines when applicable. The reporting period is the calendar year 2015. The Global Reporting Initiative index for 2015 is part of this report.

Elisa's management has decided that Elisa's corporate responsibility report will be assured by the third party. The year 2015 corporation responsibility information has been assured by KPMG Oy Ab. Assurance covers the Corporate Responsibility section in Elisa's annual report and Personnel Review in the annual report.

The reporting of material aspects covers Elisa's business units included in Elisa's consolidated financial statements and its subsidiaries, excluding aspects emissions and products and services. Scope 3 emissions cover some part of supply chain's CO₂ emissions, and in the products and service aspect, the boundary is Elisa's customers.

The financial information is from the consolidated financial statements and it complies with IFRS accounting principles.

With regard to environmental indicators, the most significant environmental impact of the parent

company and subsidiaries has been calculated in the main operating areas in Finland and Estonia, in accordance with the GRI guidelines.

The calculation of carbon dioxide emissions is based on Greenhouse Gas Protocol methods (www.ghgprotocol.org). A description of the calculation is available in the responsibility section of our website.

There is one significant change in the calculation compared to the last reporting period. Previously Elisa's space efficiency computing covered only Elisa's largest offices and were so called multi-space offices. The current (2015) calculation covers all Elisa's offices. More information about calculation on our website <http://www.elisa.com/corporate-responsibility/>.

With regard to personnel, figures for both the parent company and subsidiaries have been included. No significant changes have been made to the reporting or indicators compared to previous years. The structural changes in the Group are presented in more detail in the annual report.

The previous responsibility reports are available at <http://www.elisa.com/investors/financial-information/annual-reports/>. Before 2013, we compiled an index describing responsibility measures based on the GRI's sustainable development reporting guidelines in 2011 and 2012.

Independent Assurance Report

This document is an English translation of the Finnish report

To the Management of Elisa Oyj

We have been engaged by the Management of Elisa Oyj (hereafter Elisa) to provide limited assurance on the corporate responsibility information from the reporting period 1.1.–31.12.2015, which has been presented in the Responsibility section and Personnel Review in connection with Elisa's Annual Report 2015 published in the web (hereafter Corporate Responsibility Information).

The Management of Elisa is responsible for the preparation and presentation of the Corporate Responsibility Information in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4*.

Our responsibility is to carry out a limited assurance engagement and to express an independent conclusion on the information subject to the assurance based on the work performed. We have conducted the engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (*Assurance Engagements other than Audits or Reviews of Historical Financial Information*). We are independent from the company according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted. We apply the International Standard on Quality Control 1 (ISQC 1) and accordingly maintain a comprehensive

system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We do not accept or assume responsibility to anyone other than Elisa for our work, for this assurance report, or for the conclusions we have reached.

The evaluation criteria used for our assurance are the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4*.

Limitations of the engagement

Data and information related to corporate responsibility are subject to inherent limitations applying to data accuracy and completeness, which are to be taken into account when reading our assurance report. The presented Corporate Responsibility Information is to be considered in connection with the explanatory information on data collection, consolidation and assessments provided by Elisa. Our assurance report is not intended for use in evaluating Elisa's performance in executing the corporate responsibility principles Elisa has defined. To assess the financial state and performance of Elisa, Elisa's audited Financial Statement for the year ended 31 December 2015 is to be consulted.

The work performed in the engagement

Our assurance procedures are designed to obtain limited assurance on whether the Corporate Responsibility Information is presented in

accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4* in all material respects. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Corporate Responsibility Information, and applying analytical and other evidence gathering procedures, as appropriate. The evidence gathering procedures mentioned above are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

In our engagement we have performed the following procedures:

- Interviews with five members of the management to reassert our understanding of the connection between Elisa's corporate responsibility procedures and Elisa's business strategy and operations as well as corporate responsibility objectives;
- An assessment of the Corporate Responsibility Information's conformity with the principles of the G4 guidelines for defining content and reporting quality;
- An assessment of coverage of the material aspects selected for the Corporate Responsibility Information and the definition of reporting boundaries in the context of Elisa's business operations and sector;
- An assessment of data management processes, information systems and working methods used to gather and consolidate the presented Corporate Responsibility Information, and a review of Elisa's related internal documents;
- Comparison of the presented Corporate Responsibility Information to underlying

rules of procedure, management and reporting systems as well as documentation;

- A review of the performance data and assertions presented in the Corporate Responsibility Information, and an assessment of information quality and reporting boundary definitions;
- Testing of data accuracy and completeness through samples from the Group's information systems and original numerical information received from the Group companies;
- Visit to one Elisa site selected on the basis of a risk analysis taking into account both qualitative and quantitative information.

Based on the assurance procedures performed, nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement is not, in all material respects, properly prepared.

Helsinki, 7 March 2016

KPMG OY AB

Esa Kailiala
APA

Niina Turri
Senior Manager, Advisory

GRI-index (core)

Content	Name	Information and comments	UNGC
STRATEGY AND ANALYSIS			
G4-1 CEO's statement	CEO's review	-	x
ORGANISATIONAL PROFILE			
G4-3 Name of the organisation	Accounting principles	-	x
G4-4 Primary brands, products and services	Elisa in brief	-	x
G4-5 Location of the organisation's headquarters	Accounting principles	-	x
G4-6 Number of countries where the organisation operates	Notes to the financial statements 1.	In 2015, Elisa employees worked in a total of 14 different countries.	x
G4-7 Nature of ownership and legal form	Shares and shareholders; Financial effects	-	x
G4-8 Market areas	Notes to the financial statements 1.	-	x
G4-9 Scale of the organisation	The report of the board of directors; Notes to the financial statements 1.	-	x
G4-10 Total number of employees by employment contract, employment type, region and gender	Other personnel key figures	-	x
G4-11 Percentage of total employees covered by collective bargaining agreements	Results through personnel well-being	In Finland, approximately 95 x per cent of our personnel are covered by collective agreements. In Estonia, the sector does not have comprehensive collective agreements.	
G4-12 Organisation's supply chain	Elisa's supply chain	-	x
G4-13 Significant changes during the reporting period regarding the organisation's size, structure, ownership or its supply chain	Notes to the financial statements 2., 3. and 35.	-	x
G4-14 Whether and how the precautionary approach or principle is addressed by the organisation	Descriptions of internal control procedures and main features of risk management systems	The precautionary principle has been taken into account in accordance with statutory requirements.	
G4-15 Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses	Responsibility is based on values and strategy	-	
G4-16 Memberships of associations and national or international advocacy organisations	Responsibility is based on values and strategy	-	

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	Entities included in the organisation's Consolidated Financial Statements	Description of the report	-	
G4-18	Process for defining the report content	Material themes and aspects	-	
G4-19	Material aspects	Material themes and aspects; GRI index	-	
G4-20	List of entities or groups of entities within the organisation for which the aspects are material	Material themes and aspects	-	
G4-21	List of entities or groups of entities outside of the organisation for which the aspects are material	Material themes and aspects	-	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	Description of the report	-	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Description of the report	-	

STAKEHOLDER ENGAGEMENT

G4-24	List of stakeholder groups engaged by the organisation	Stakeholder dialogue	-	X
G4-25	Basis for identification and selection of stakeholders with whom to engage	Stakeholder dialogue	-	X
G4-26	Approach to stakeholder engagement	Stakeholder dialogue	-	X
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Stakeholder dialogue	-	X

REPORT PROFILE

G4-28	Reporting period	Description of the report	-	X
G4-29	Date of most recent previous report	Description of the report	-	X
G4-30	Reporting cycle	Description of the report	-	X
G4-31	Contact point for questions regarding the report or its contents	Contact information	-	X
G4-32	GRI "in accordance" option	GRI index	-	X
G4-33	Policy and current practice with regard to seeking external assurance	Description of the report	-	X

GOVERNANCE

G4-34	Governance structure, including committees	Management of corporate responsibility; Corporate Governance Statement	-	X
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ETHICS

G4-56	Ethics and integrity	Responsibility is based on values and strategy	-	X
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Material aspects and reported indicators:		Name	Information and comments
SUSTAINABLE VALUE FOR SOCIETY			
ECONOMIC RESPONSIBILITY			
Economic performance, DMA		Financial effects; The Report of the Board of Directors	-
EC1	Direct economic value generated and distributed	Financial effects	-
EC2	Financial implications and other risks and opportunities due to climate change	Our corporate responsibility focuses on climate and energy	- X
Indirect economic impacts, DMA		Financial effects; Research and development	-
EC7	Development and impact of infrastructure investments and services supported	Financial effects; Research and development	-
EC8	Significant indirect economic impacts, including the extent of impacts	Financial effects; Research and development	-
Investments**, DMA		Financial effects	-
IO1	Capital investment in telecommunication network infrastructure broken down by country/region	Financial effects	-
IO2	Net costs for service providers under the universal service obligation when extending service to geographic locations and low-income groups, which are not profitable. Describe relevant legislative and Regulatory mechanisms	An extensive network enables services for all	Costs from Universal Service Obligation are marginal and they are included in overall network costs.
ENERGY EFFICIENCY, CLIMATE CHANGE MITIGATION			-
Energy, DMA		Our corporate responsibility focuses on climate and energy; Responsibility is based on values and strategy; Management of corporate responsibility	- X
EN3	Energy consumption within the organisation	Our corporate responsibility focuses on climate and energy	- X

EN5	Energy intensity	Our corporate responsibility focuses on climate and energy	-	x
EN6	Reduction of energy consumption	Our corporate responsibility focuses on climate and energy	-	x
EN7	Reduction in energy requirements of product and services	Our corporate responsibility focuses on climate and energy	-	x
Emissions, DMA		Our corporate responsibility focuses on climate and energy; Responsibility is based on values and strategy	-	x
EN15	Direct greenhouse gas emissions (scope 1)	Our corporate responsibility focuses on climate and energy	-	x
EN16	Indirect greenhouse gas emissions (scope 2)	Our corporate responsibility focuses on climate and energy	-	x
EN17	Other indirect greenhouse gas emissions (scope 3)	Our corporate responsibility focuses on climate and energy	-	x
EN19	Reduction of greenhouse gas emissions	Our corporate responsibility focuses on climate and energy	-	x
Products and services, DMA		Low-emission alternatives for customers; Responsibility is based on values and strategy	-	x
EN27	Extent of impact mitigation of environmental impacts of products and services	Low-emission alternatives for customers	-	x
WEEE- waste (Waste Electrical and Electronic Equipment) *, DMA		Our corporate responsibility focuses on climate and energy; Responsibility is based on values and strategy	-	
The overall weight of recycled WEEE- waste *		Our corporate responsibility focuses on climate and energy	-	
AVAILABILITY			-	

	Availability of the services **, DMA	An extensive network enables services for all	-
PA1	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas. Include an explanation of business models applied.	An extensive network enables services for all	-
PA3	Policies and Practices to Ensure Availability and Reliability of Telecommunications Products and Services and Quantify, where Possible, for Specified Time Periods and Locations of Down Time.	An extensive network enables services for all	In Finland, the Finnish Communications Regulatory Authority has set the Universal Service Obligation on telecom operators. Investments in the network are made to ensure availability, taking into account both business and customer needs and the Universal Service Obligation. In addition, we measure the coverage and availability of our network through a population coverage indicator.
PA4	Quantify the level of availability of telecommunications products and services in areas where the organisation operates.	An extensive network enables services for all	-
PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	An extensive network enables services for all	-
	Safeguarding functioning society*, DMA		
	Safeguarding functioning society*	An extensive network enables services for all	
RESPONSIBILITY FOR CUSTOMER RESPONSIBLE CUSTOMER COMMUNICATION			
	Product and service labelling, DMA	Customer satisfaction steers our activities	-
PR5	Results of surveys measuring customer satisfaction	Customer satisfaction steers our activities; Stakeholder dialogue	-
	Marketing communications, DMA	Customer satisfaction steers our activities	-
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Customer satisfaction steers our activities	-
INFORMATION SECURITY AND CUSTOMER PRIVACY			
	Customer privacy, DMA	Information security and privacy protection	-

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Information security and privacy protection		
	Information security*	Information security and privacy protection	-	
ACCESSIBILITY OF THE SERVICES				
	Accessibility and ease of use of services**, DMA	Accessibility, ease of use and security of our services	-	
PA2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age.	Accessibility, ease of use and security of our services	-	
SAFETY OF THE PRODUCTS AND SERVICES				
	Customer health and safety, DMA	Accessibility, ease of use and security of our services	-	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Accessibility, ease of use and security of our services	No fines in 2015.	
DEVELOPING PERSONNEL				
RESPONSIBLE EMPLOYER				
	Employment, DMA	Developing personnel	-	x
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Other personnel key figures	-	x
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Results through personnel well-being	Our occupational health, insurance, parental leave or pension benefits are not dependent on the duration or part-time nature of employment.	
	Diversity and equal opportunity, DMA	Good management, clear goals and shared value	-	x
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	Other personnel key figures	-	x
	Occupational health and safety, DMA	Good management, clear goals and shared value; Results through personnel well-being; Infographic	All personnel (100%) in Finland and Estonia is represented in occupational health and safety committees through representatives.	
LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	Results through personnel well-being	-	
	Non-discrimination, DMA	Good management, clear goals and shared value; Responsibility is based on	-	x

		values and strategy; Elisa's Code of conduct		
HR3	Total number of incidents of discrimination and corrective actions taken		No incidents in 2015.	x
	Training and education, DMA	Future expertise	-	x
LA9	Average hours of training per year per employee by gender, and by employee category	Future expertise	-	
LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Future expertise	-	x
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Good management, clear goals and shared value	-	
	Security practices, DMA	Information security and privacy protection	-	x
HR7	Percentage of security personnel trained in the organisation's human right policies or procedures that are relevant to operations	Information and security and privacy protection	-	x
* Elisa's recognized material, no GRI aspect				
** The sector specific aspect				

Contact information

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