



2023 Remuneration Report

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1. Introduction

This is the 2023 Remuneration Report for Elisa Corporation (hereinafter “Elisa”) pursuant to legislation and the Finnish Corporate Governance Code. It describes the remuneration of Elisa’s Board of Directors (“Board”) and the CEO for the 2023 financial year. The People and Compensation Committee of the Board has prepared this Remuneration Report for 2023, which will be presented to Elisa’s Annual General Meeting in 2024.

The Board presented the 2022 Remuneration Report to the Annual General Meeting on 5 April 2023. The Annual General Meeting approved the report. The minutes of the Annual General Meeting (including voting results) are available on Elisa’s website. In the process of compiling the report for 2023, shareholder feedback was collected and analysed, and their concerns were discussed to enhance Elisa’s understanding of them.

Some shareholders expected the report to include more detailed information, e.g. a threshold, target and maximum levels for the LTI and STI metrics. Elisa has decided to select reward criteria that are operational business-related targets, and these metrics therefore reveal detailed information about Elisa’s competitive strategies. The criteria include commercially sensitive information, the disclosure of which may be detrimental to the company. Sensitive information also includes financial metrics that Elisa does not otherwise make public, and the remuneration report is not a method of disclosing financial information. As a result, not all the information can be published. However, in this report Elisa has categorised financial and non-financial targets.

The remuneration of the Board and CEO is based on Elisa’s Remuneration Policy approved on 2 April 2020 by an advisory resolution of the Annual General Meeting. The People and Compensation Committee has monitored the implementation of the Remuneration Policy. In assessing the remuneration external advisors

and benchmark data have been used as described in more detail in sections 2 and 3. No deviations were made from the Remuneration Policy during the 2023 financial year except regarding the remuneration of the new CEO (see 3.7), and there were no situations during the financial year that warranted any claw back of remuneration.

Veli-Matti Mattila continued to serve as CEO throughout the financial year. Elisa did not have a deputy CEO during the financial year. Veli-Matti Mattila has informed

Elisa that he will retire on 1 March 2024 at the latest. On 18 August the Board appointed Topi Manner as the new CEO as of 1 March 2024 at the latest. At the same time Topi Manner stepped down from his position as a member of Elisa’s Board. This Remuneration Report also includes information on the remuneration of the new CEO (see chapter 3).

In addition, one other Board member resigned from Elisa’s Board during the financial year.

Development of management and personnel remuneration and the company’s performance

The remuneration of the Board and the CEO has developed as follows, compared to the average development of the remuneration of the company’s employees and the company’s financial development over the last five financial years:

	2023	2022	2021	2020	2019
Chair of the Board					
Annual fee, EUR	140,000	130,000	126,000	123,000	120,000
Meeting fee, EUR	800*	800*	800*	750	700
Deputy chair of the Board & chairs of committees					
Annual fee, EUR	86,000	85,000	84,000	82,000	80,000
Meeting fee, EUR	800*	800*	800*	750	700
Member of the Board					
Annual fee, EUR	71,000	70,000	69,000	67,000	65,000
Meeting fee, EUR	800*	800*	800*	750	700
Actual compensation paid (average of all Board members), EUR	96,975	91,556	91,550	89,107	89,143
CEO’s salary in cash and taxable fringe benefits, EUR	688,943	694,717	684,543	684,146	683,699
CEO’s performance bonus, EUR	294,218	365,377	251,031	198,238	264,431
Total value of CEO’s share-based incentive, EUR	1,351,749	715,958	865,204	2,269,493	1,431,524
Salaries and bonuses according to financial statements, Personnel Fund profit bonus and share-based incentives paid to all Group personnel (excl. CEO), per FTE, EUR	60,249	58,411	58,286	56,148	54,880
Salaries and bonuses according to financial statements, Personnel Fund profit bonus and share-based incentives paid to all Group personnel (excl. CEO), total, EUR	344,684,682	322,605,898	314,160,449	286,130,772	267,868,616
Average rise in salary, %. Two largest personnel groups, Elisa Corporation, incl. general and company-specific raises based on collective agreement and merit raises based on company decision	4.0	2.0	2.6	1.9	2.4
Elisa Group revenue, EUR million	2,180.5	2,129.5	1,997.9	1,894.6	1,843.5
Comparable earnings per share, EUR	2.37	2.34	2.19	2.05	1.93
Share price (year-end closing price), EUR	41.87	49.46	54.12	44.87	49.25
Dividend per share, EUR	2.15	2.05	1.95	1.85	1.75

* If a Board member is physically present at a Board or Committee meeting, that is held in a country other than his/her permanent home country, then the meeting fee is EUR 1,600.

Elisa's long-term financial success and remuneration

According to Elisa's Remuneration Policy, remuneration promotes Elisa's business strategy and long-term financial success and the favourable development of shareholder value when it is fair, competitive, enhances commitment and supports Elisa's objectives. CEO remuneration has been based on the most relevant financial and operational criteria that measure success in Elisa's strategy implementation and that affect Elisa's long-term financial performance. Developments in Elisa's key financial criteria have been positive. The average growth rate of revenue was 4.3 per cent during 2019–2023, and growth in comparable earnings per share (EPS) was 5.2 per cent. Elisa's long-term financial development and growth in shareholder value have been positive: total shareholder return was approximately 46 per cent from 2019 to 2023. The share-based remuneration of management is aligned with shareholder interests.

2. Remuneration of the Board for the financial year 2023

On 18 January 2023, the Shareholders' Nomination Board announced its proposal for the remuneration of the Board. The Shareholders' Nomination Board considered developments in remuneration in relevant markets and fees paid in similar companies as well as the nature of the work that members of the Board do and how demanding it is.

The remuneration of the Board is decided annually by Elisa's General Meeting in accordance with the company's remuneration policy. The Annual General Meeting in 2023 decided on the following remuneration based on the proposal of the Shareholders' Nomination Board:

- The annual fee for the chair is EUR 140,000.
- The annual fee for the deputy chair and the chairs of the committees is EUR 86,000.
- The annual fee for a member is EUR 71,000.
- The meeting fee is EUR 800 per meeting of the Board and of a Committee. However, if a Board member is physically present at a Board or Committee meeting, that is held in a country other than his/her permanent home country, then the meeting fee is EUR 1,600.

In accordance with the decision of the General Meeting, the annual fee was paid partly in company shares and partly in cash in such a way that shares in the company were acquired in the name of and on behalf of Board members equivalent to 40 per cent of the amount of the fee, and the rest was paid in cash for tax withholding purposes. The shares were acquired for the Board members through the stock exchange on 25 April 2023, the third trading day following the publication of the interim report concerning the first quarter of 2023. In addition, Board members were reimbursed for any travel and other expenses incurred due to Board work according to the actual costs.

Shares acquired as part of the annual fee do not include share transfer restrictions, although the Shareholders' Nomination Board does require Board members to have shareholdings in the company. The chair of the Board has not been paid a fee for participating in the meetings of the Shareholders' Nomination Board.

The following table presents the fixed annual fees decided on by the company's Annual General Meeting on 5 April 2023, the meeting-specific fees for 2023, the number of shares acquired for the Board members with the annual fee, and the Board's shareholdings on 31 December 2023.

Remuneration of the Board members in 2023

Name	Position on the Board	Fixed fees, EUR*	Fees for Board meetings, EUR**	Fees for committee meetings, EUR**	Fees in total, EUR	Elisa shares acquired with fixed fees, no.*	Shareholdings of the Board on 31 Dec 2023, number of shares***
Anssi Vanjoki	Chair	140,000	8,000	-	148,000	1,009	6,492
Clarisse Berggårdh	Deputy Chair, Chair of the People and Compensation Committee until 5 April 2023	-	1,600	800	2,400	-	-
Maher Chebbo	Member of the People and Compensation Committee	71,000	16,000	6,400	93,400	511	1,598
Kim Ignatius	Chair of the Audit Committee	86,000	8,000	4,000	98,000	619	2,985
Katariina Kravi	Chair of the People and Compensation Committee as of 5 April 2023	86,000	8,000	3,200	97,200	619	1,121
Pia Käll	Member of the Audit Committee	71,000	8,000	4,000	83,000	511	1,013
Topi Manner	Member of the Audit Committee until 18 August 2023	71,000	4,800	2,400	78,200	511	-
Eva-Lotta Sjöstedt	Member of the People and Compensation Committee	71,000	16,000	6,400	93,400	511	1,679
Antti Vasara	Member of the Audit Committee	71,000	7,200	4,000	82,200	511	4,124
Total		667,000	77,600	31,200	775,800	4,802	19,012

* Elisa shares were acquired with fixed fees on 25 April 2023 for Board members elected at the AGM of 5 April 2023 based on the decision of the AGM of 5 April 2023.

** Based on the number of meetings. The meeting fee is EUR 800 per meeting or, EUR 1,600, if a Board member is physically present at a Board or Committee meeting that is held in a country other than his/her permanent home country, based on a decision of the AGM in 2022 and 2023.

*** Shareholdings on 31 December 2023 (including legal entities controlled). Up-to-date information on changes in shareholdings is available on Elisa's website and in Elisa's Management Transactions releases.

3. CEO's remuneration for the financial year 2023

The CEO's remuneration consists of a fixed salary, a short-term incentive scheme, a long-term incentive scheme and fringe benefits.

Elisa's remuneration policy states that the short- and long-term incentives based on performance are dimensioned at the target level to be greater than the fixed salary.

The remuneration of Elisa's Executive Board (including the CEO) was benchmarked in 2023 by two different independent consultants against its peer group in Finnish large cap companies with a similar size of market capitalisation and similar number of personnel and internationally against relevant European telecom industry peers. Both the target and paid compensation were benchmarked, as well as the dimensioning of fixed vs. variable pay.

3.1 Fixed annual salary

During the 2023 financial year, the CEO was paid a total salary composed of a fixed monetary salary and taxable fringe benefits (telephone, car, health insurance). The fixed monetary salary was EUR 641,640 (EUR 641,640 in 2022). In addition, the CEO was paid EUR 26,400 in holiday bonus (EUR 33,000 in 2022). The taxable fringe benefits amounted to EUR 20, 903 (EUR 20,077 in 2022). Holidays and other equivalent terms have been treated in accordance with the company's normal policy.

3.2 Variable pay components: short-term incentive scheme

For the 2023 financial year, the CEO is paid a performance bonus based on earnings criteria set by the company's Board in line with the remuneration policy: earnings per share, revenue development and the development of personnel and customer satisfaction. The target period for the performance-based bonus scheme is six months, and the bonus is paid every six months. In March 2024, the CEO is paid the performance bonus for the second half of the 2023 financial year.

Maximum limits, targets, performance bonus paid and dates of payment for short-term incentive scheme

	2H 2022	1H 2023	2H 2023
Maximum limit from six-month earnings period	90%	90%	90%
Tar­gets and weights	Financial targets 70% <ul style="list-style-type: none"> • 50% earnings per share, • 20% service revenue development Non-financial targets 30% <ul style="list-style-type: none"> • 10% Elisa personnel engagement score (ESG target) • 20% customer satisfaction development 	Financial targets 70% <ul style="list-style-type: none"> • 50% earnings per share, • 20% service revenue development Non-financial targets 30% <ul style="list-style-type: none"> • 10% Elisa personnel engagement score (ESG target) • 20% customer satisfaction development 	Financial targets 70% <ul style="list-style-type: none"> • 50% earnings per share, • 20% service revenue development Non-financial targets 30% <ul style="list-style-type: none"> • 10% Elisa personnel engagement score (ESG target) • 20% customer satisfaction development
Total target realisation, %	61.333%	37.730%	38.790%
Performance bonus EUR	182,160	112,058	115,206
Payment	March 2023	September 2023	March 2024

3.3 Variable pay components: long-term incentive scheme

The CEO's long-term incentive consists of performance-based incentive schemes. Performance-based incentive schemes are designed to align the goals of shareholders and key personnel in increasing the value of the company in the long term, to secure the commitment of key employees to the company and to offer them a competitive remuneration scheme based on the earnings and accumulation of Company shares.

The Board decides the scheme's earnings criteria at the beginning of each earnings period.

The payout value for the performance-based incentive scheme is based on

- 1) the maximum allocation of shares, decided at the beginning of the earnings period,
- 2) the actualisation of the targets (0-100%),
- 3) the development of the share price.

In addition, the dividend adjustment may increase the payout value.

The potential incentives are paid partly as shares in the company and partly in cash. The cash portion covers the taxes and tax-like charges incurred by the participant as a result of the remuneration. In the event of termination of the participants employment or service relationship before the incentive is paid, the amount of incentives paid depends on the cause of termination. According to the rules of the performance-based scheme, the CEO must hold at least half of the net shares paid on the basis of the scheme until the holding in the company is equal to the value of the annual gross salary and must hold these shares during their whole tenure.

Performance-based incentive scheme for 2018–2022

On 14 December 2017, the Board decided on a performance-based incentive scheme for the Group's key personnel. The performance-based incentive scheme had three 3-year earnings periods: the calendar years 2018–2020, 2019–2021 and 2020–2022.

Performance -based incentive scheme 2018–2022

Earnings period	2020–2022
Financial year in which reward is paid	2023
Maximum number of shares	32,000
Targets	Financial targets 100% <ul style="list-style-type: none"> • 60% earnings per share (EPS) • 20% revenue from international digital businesses • 20% other specific business growth targets *
Target realisation (%)	70.933%
Dividend adjustment (%) **	11.830%
Amount paid as shares	12,057
Date of share transfer	1 February 2023
Transfer price	EUR 52.85
Total value of performance-based incentive (including shares, monetary portion and transfer tax)	EUR 1,351,750

* Decided annually e.g. active users of selected services, sales of selected services.

** The amount paid is adjusted to take into account dividends that are paid during the earning period.

Performance-based incentive scheme for 2021–2025

On 4 March 2021, the Board decided on a performance-based incentive scheme for the Group’s key personnel. The performance-based incentive scheme has three 3-year earning periods: the calendar years 2021–2023, 2022–2024 and 2023–2025.

Performance-based incentive scheme 2021-2025

Earnings period	2021–2023	2022–2024	2023–2025
Financial year in which reward is paid	2024	2025	2026
Maximum number of shares	32,000	32,000	38,430
Targets	Financial targets 100% <ul style="list-style-type: none"> • 60% earnings per share (EPS) • 20% revenue from international digital businesses • 20% other specific business growth targets decided annually (e.g. active users of selected services, sales of selected services) 	Financial targets 90% <ul style="list-style-type: none"> • 60% earnings per share (EPS) • 20% revenue from international digital businesses • 10% annual progress in specific key business growth targets decided annually (e.g. active users of selected services, sales of selected services) Non-financial target 10% <ul style="list-style-type: none"> • 10% employee engagement (ESG target) 	Financial targets 90% <ul style="list-style-type: none"> • 60% earnings per share (EPS) • 20% revenue from international digital businesses • 10% annual progress in specific key business growth targets decided annually (e.g. active users of selected services, sales of selected services) Non-financial target 10% <ul style="list-style-type: none"> • 10% employee engagement (ESG target)
Total target realisation (%)	75.556%		
Dividend adjustment (%) *	14.690%		
Amount paid as shares	13,171		
Date of share transfer	31 January 2024		
Transfer price, EUR	42,2582		
Total value of performance-based incentive (including shares, monetary portion and transfer tax), EUR	1,180,154		

* The amount paid is adjusted to take into account dividends that are paid during the earning period.

Performance-based incentive scheme 2024–2028

On 31 January 2024, the Board decided on a Performance-based incentive scheme for the Group’s key personnel. The Performance Share Plan 2024–2028 consists of three performance periods, covering the financial years 2024–2026, 2025–2027 and 2026–2028.

Performance-based incentive scheme	2024–2028
Earnings period	2024–2026
Financial year in which reward is paid	2027
Maximum number of shares	2,444
Targets	Financial targets 86.67% <ul style="list-style-type: none"> • 60% earnings per share • 20% international digital services growth • 6.67% annual progress in specific key business growth Non-financial targets 13.33% <ul style="list-style-type: none"> • 10% employee engagement • 3.33% ESG development (climate) target

3.4 Information on how fixed and variable pay components are divided

In accordance with Elisa's remuneration policy, short- and long-term incentives based on performance are dimensioned, at the target level, to be greater than the fixed salary. In performance-based incentive schemes, the dimensioning takes place at the beginning of the earnings period. The realisation depends on the fulfilment of the earnings criteria. As the value of the shares changes, the value of the remuneration to be paid increases or decreases. In variable remuneration, the weight of the long-term incentive at an annual level is greater than that of the short-term incentive.

3.5 Supplementary pension contributions

The CEO's supplementary pension coverage is based on a defined contribution scheme. The pension arrangements include a right to a paid-up policy. In the 2020 financial year, the Board agreed with the CEO that he would continue to serve as the company's CEO until further notice. According to the previous CEO contract, he would have retired when he turned 60. An increase in the statutory retirement age is compensated for by a decision of the Board.

Liability for the CEO's pension was increased by a provision of EUR 42,867 (43,045 in 2022) on the balance sheet. For the insurance based supplementary pension scheme, the contribution for the CEO was EUR 176,207 (174,407 in 2022). The insurance based supplementary pension scheme can be utilised at the age of 62 at the earliest.

3.6 Other financial benefits, such as fringe benefits, signing bonuses, retention bonuses or severance packages

The period of notice applicable to the CEO's service contract is six months for Elisa and three months for the CEO. Should the contract be terminated by Elisa, the CEO is entitled to receive severance pay equal to the total salary for 24 months, less the salary for the period of notice.

Fringe benefits include the taxable value of the company car, mobile phone, landline and health insurance.

CEO's salary and financial benefits and their proportions paid during financial years 2023 and 2022

Financial year	Salary in cash, EUR	Taxable fringe benefits, EUR	Performance bonuses, EUR	Total value of performance-based incentive, EUR	Supplementary pension, EUR	Total, EUR	Portion of performance-based remuneration paid as Elisa shares
2023	668,040	20,903	294,218	1,351,750*	219,074	2,553,985	12,057
	26%	1%	12%	53%	8%	100%	
2022	674,640	20,077	365,377	715,958**	217,452	1,993,504	6,426
	34%	1%	18%	36%	11%	100%	

* According to the share price at the date of the transfer on 1 February 2023

** According to the share price at the date of the transfer on 1 February 2022

3.7 Remuneration of the new CEO

The new CEO will start in his role on 1 March 2024 at the latest. The CEO's remuneration consists of a fixed salary, a short-term incentive scheme, a long-term incentive scheme and fringe benefits.

In addition, there has been a separately agreed compensation for forfeiting previous employer awards. Elisa's current Remuneration Policy does not explicitly mention this kind of compensation; however, it allows to deviate from the policy in a situation of a CEO change.

Fixed salary and fringe benefits

The CEO will be paid a total salary of EUR 60,000 per month. The total taxable value of the fringe benefits is included in the total salary. Fringe benefits include the taxable value of the company car, mobile phone and health insurance. The total salary also includes any compensation paid to members of the governing bodies of Elisa or its group companies.

Variable pay components: short-term incentive scheme

The CEO's short-term incentive scheme is based on earnings criteria set by the company's Board in line with the remuneration policy. The maximum limit for each six-month earnings period is 100% of the earnings for the period. The Short-term incentive will be paid from 1 March 2024 onwards.

Maximum limit, targets and date of payment for short-term incentive scheme

	1H 2024
Maximum limit from six-month earnings period	100%
Targets and weights	Financial targets 70% <ul style="list-style-type: none"> • 50% earnings per share • 20% service revenue development Non-financial targets 30% <ul style="list-style-type: none"> • 10% Elisa personnel engagement score • 10% customer satisfaction development • 10% ESG development (climate) target
Payment	September 2024

Variable pay components: long-term incentive scheme

The CEOs long-term incentive consists of Performance-based incentive schemes.

On 31 January 2024, the Board decided on a Performance-based incentive scheme for the Group's key personnel. The Performance Share Plan 2024–2028 consists of three performance periods, covering the financial years 2024–2026, 2025–2027 and 2026–2028 respectively.

Performance-based incentive scheme 2024–2028

Earnings period	2024–2026
Financial year in which reward is paid	2027
Maximum number of shares	44,000
Targets	Financial targets 86,67% <ul style="list-style-type: none"> • 60% earnings per share • 20% international digital services growth • 6,67% annual progress in specific key business growth Non-financial targets 13,33% <ul style="list-style-type: none"> • 10% employee engagement • 3,33% ESG development (climate) target

Other financial benefits

The CEO's pension and retirement age are determined in accordance with the Employees' Pension Act. The period of notice applicable to the CEOs service contract is six months for both parties. Should the contract be terminated by Elisa, the CEO is entitled to receive severance pay equal to the total salary for 18 months, less the salary for the period of notice. The CEO is subject to a 12-month non-compete clause.

Compensation of forfeiting previous employer awards

The compensation of forfeiting previous employer awards consists of

- allocations in the Performance-based Incentive scheme, described below
- allocations in the Restricted Shares Plan, described below,
- a cash part of EUR 200,000 paid in March 2024.

The previous employer has confirmed the sum of the forfeited awards. Elisa has used it to define the amount of the compensation.

Performance-based incentive scheme for 2021–2025

On 4 March 2021, the Board decided on a Performance-based incentive scheme for the Group's key personnel. The Performance-based incentive scheme has three 3-year earning periods: the calendar years 2021–2023, 2022–2024 and 2023–2025.

Earnings period	2022–2024	2023–2025
Financial year in which reward is paid	2025	2,026
Maximum number of shares	3,586	3,586
Targets	Financial targets 90% <ul style="list-style-type: none"> • 60% earnings per share (EPS) • 20% revenue from international digital businesses • 10% annual progress in specific key business growth targets (e.g. active users of selected services, sales of selected services) Non-financial target 10% <ul style="list-style-type: none"> • 10% employee engagement (ESG target) 	Financial targets 90% <ul style="list-style-type: none"> • 60% earnings per share (EPS) • 20% revenue from International digital businesses • 10% annual progress in specific key business growth targets (e.g. active users of selected services, sales of selected services) Non-financial target 10% <ul style="list-style-type: none"> • 10% employee engagement (ESG target)

Restricted Share Plan 2023

On 1 February 2023, Elisa's Board of Directors decided to establish a new Restricted Share Plan 2023, which is intended to be used as a tool in situations deemed necessary by the Board, for example to ensure the commitment of key personnel in the company, to attract new talent or in other special situations determined by the Board.

If the Company terminates the contract with the CEO, it will be separately resolved that the CEO shall be paid the rewards from the Restricted Shares program in their entity.

Vesting period	1.1–31.12.2024	1.1–31.12.2025
Financial year in which reward is paid	2025	2026
Number of shares	4,782	7,172

4. Checking of the Remuneration Report

Elisa's auditor, KPMG Oy Ab, has checked that the information required by regulations has been disclosed in the Remuneration Report.