Corporate Social Responsibility Report 2015

Eesti Energia

Corporate Social Responsibility Report 2015

VASTUTUSTUNDLIKU
ETTEVÕTLUSE INDEKSI
KULDTASE 2015

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Hando Sutter
Chairman of the Management Board

DEAR READER!

Being the largest enterprise in Estonia the operations of Eesti Energia have impact on most of us. The decisions taken by Eesti Energia are directly influencing all of our 6,000 employees and people living in Ida-Virumaa region, heart of our production. We appreciate highly our more than half a million customers in the Baltic countries. We are working hard for gaining trust and contentment, the foundation for long-term customer relations.

As a production organisation we are constantly monitoring the impact we have on environment and continue working on reducing such effect. Today we can proudly say that energy generation has become cleaner and more sustainable than ever before. The more stringent EU environment requirements were enforced on combustion plants from 2016.

Over the years we have put a lot of effort and investments into more sustainable energy production. During the past decade we renovated two energy units of Narva power plants. Other energy units where pulverised combustion technology is used are now supplied with filtering equipment and denitrification ($DeNo_x$) and desulphurisation ($DeSO_x$) systems. Since 2010, Narva power plants have invested EUR 134 million to comply with the emission standards as a result of what the air pollution has declined several times. All in all we have invested more than a billion euros over the last ten years to a more sustainable technology and reduction of environment pollution. The surveys indicate that Estonia has one of the lowest air pollution levels in all Europe.

We aim to increase the utilisation of by-products of energy generation to add more value to oil shale. We have identified the increased utilisation of by-products as a strategic development area. Waste rock, a product from oil shale enrichment, is basically a limestone, basis for crushed stone and valuable construction material. Oil shale ash can also be successfully used as a construction material or soil improver as its alkaline consistence neutralises the acidic soil.

> Today we can proudly say that energy generation has become cleaner and more sustainable than ever before.

Adding more value to oil shale is one of the most important goals for Eesti Energia and its owners.

In 2015 Eesti Energia retained its leading market position and customer contentment with our service quality remained high. While the market has been opened for competition for three years by now majority of home consumers prefer Eesti Energia as their primary service provider. To make the lives of our customers easier we introduced a mobile app for taking care energy related matters. By the end of 2015 the app already had 25,000 users. Since customers prefer handing their energy related matters outside of service centres we reorganised our customer service in 2015.

> We are proud to see that Eesti Energia is continuously considered an attractive employer.

The most valuable asset of Eesti Energia is its employees. We are proud to see that Eesti Energia is continuously considered an attractive employer as indicated by high positions in different employer preference surveys. We were also awarded with golden label by Responsible Business Forum. The recognition goes to an enterprise that values sustainable development and has strategic focus on sustainable operations, employees, customers and community involvement. In previous years we were always awarded with silver label. Our ambition is to manage and improve Eesti Energia in a way that we would be a role model for other companies.

Eesti Energia has introduced and is continuously improving a number of programs for developing its employees and attracting new talented people. The future of the organisation and Estonian energy sector in general are dependent on how many young people choose their careers in engineering. Besides existing scholarship programs we launched in 2015 a new young engineer improvement program Insenergia. As part of the program students of engineering faculty could solve real-life problems with top engineers of Eesti Energia.

2015 was not an easy year. Low energy and oil prices made us review all expenses and find ways to increase the efficiency. This included both technological solutions and reduction of employees.

Regretfully, we had some very serious work accidents in 2015. In January two very experienced miners died in Estonia mine. We are still investigating the causes and work closely with the investigators. I can assure that there will be no indulgence of safety. Safety is our core value and we do everything to keep our employees healthy and safe. In addition to safety trainings and requirements we established also a Board of Work Safety to promote the safety culture.

Our sponsorship focuses on Ida-Virumaa, a region that accommodates oil shale, the national wealth, and our production units. I would like to emphasise the reviving of former oil shale enrichment plant as a museum in Kohtla-Nõmme last year as part of our sponsorship. All

> Oil shale industry has played a key role over the last few years in turning Estonia into one of the least energy dependent countries in European Union.

in all Eesti Energia invested more than 0.5 million euros to different support activities in 2015.

Oil shale industry has played a key role over the last few years in turning Estonia into one of the least energy dependent countries in European Union. We have generated energy from oil shale for more than 100 years and to celebrate this event we will host an international oil shale conference in September 2016. Over the 100 years we have learned significantly and have adapted to changing environment. Our unique expertise is widely valued around the world.

Improvement of existing experience, reasonable utilisation of resources and increased usefulness are creating a value to work for every day in this company. Caring and responsibility are inseparable in achieving this.

HANDO SUTTER
Chairman of the Management Board

SALES REVENUES
million euros

776.7 | -103.2 | ▼ -11.7%

EBITDA
million euros

265.8 | -46.5 | ▼ -14.9%

NET PROFIT
million euros

40.5 | -118.8 | ▼ -74.6%

INVESTMENTS
million euros

245.6 | -30.2 | ▼ -11.0%

CREDIT RATINGS

BBB/
Baa2 (rating under review for downgrade)

ELECTRICITY SALES
TWh

7.2 | -1.9 | ▼ -21.1%

ELECTRICITY DISTRIBUTED
TWh

6.3 | +0.04 | ▲ +0.7%

SHALE OIL SALES
thousand t

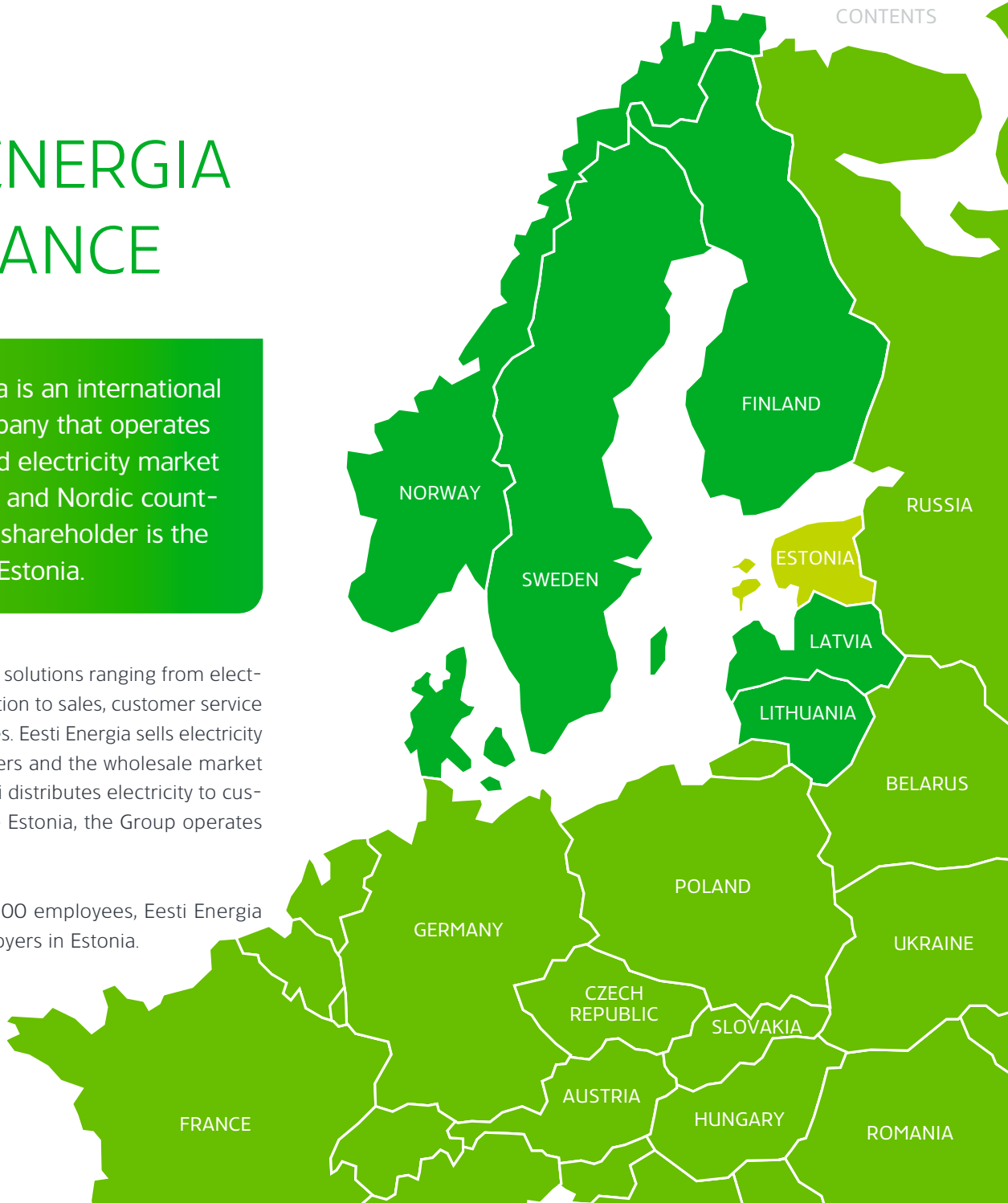
315.0 | +84.4 | ▲ +36.6%

EESTI ENERGIA AT A GLANCE

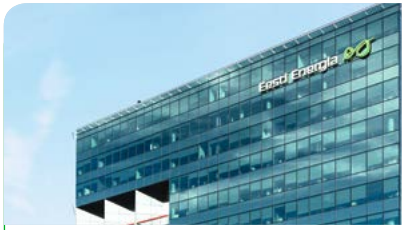
Eesti Energia is an international energy company that operates in the unified electricity market of the Baltic and Nordic countries. Its sole shareholder is the Republic of Estonia.

Eesti Energia offers energy solutions ranging from electricity, heat and fuel production to sales, customer service and ancillary energy services. Eesti Energia sells electricity to the Baltic retail customers and the wholesale market and Group entity Elektrilevi distributes electricity to customers in Estonia. Outside Estonia, the Group operates under the Enefit brand.

With its approximately 6,300 employees, Eesti Energia is one of the largest employers in Estonia.



Key Events of 2015



JANUARY

- Estonian recruitment website CV Keskus awarded Eesti Energia with the Best Employer of 2014 title.
- Eesti Energia was awarded with corporate responsibility and social and environment sustainability quality label.

FEBRUARY

- Launching Insenergia, an improvement program targeting talented engineers. The program provided 15 students with unique opportunity to solve real-life engineering tasks.

MARCH

- All 500 employees previously scattered around Tallinn in different offices are moved to one office building. New office building helps us to improve cooperation, is cost effective and complies with B energy class.

APRIL

- Eesti Energia, Viru Keemia Grupp and Eastman Specialities signed a goodwill agreement with Jõhvi Gymnasium to increase the interest of local youth in studying engineering in Ida-Virumaa region.
- We contributed to the oil shale exhibition in former oil shale enrichment factory opened in Kohtla Mining Museum.

MAY

- Traditional community event in Pähklimäe health trails to clean sporting trails and prepare for Narva Energy Run.
- Eesti Energia and Looduse Omnibuss awarded the best contestants of largest Estonian nature photo contest "Nature Photo of 2015".
- The best start-ups of the fifth youth development program ENTRUM announced. The winner Viru Ilu, a start-up from Virumaa region, uses local clay to produce soap.

JUNE

- Ida-Virumaa Talented Youth Energy Fund scholarships granted.
- Eesti Energia ranks first in the EMOR employer reputation survey.
- Fifth Narva Energy Run reaches 4,000 participants, a record of all times. The sports event is followed by Energy Day in Narva castle.
- Establishing Board for Work Safety to advance intragroup safety culture.
- Recreational sports campaign to encourage employees to take stairs and spend more time on health trails. The campaign attracted more than 300 people who covered close to 13,000 km.

About 3,000 children take the training on how to notice electrical hazards during the traditional national safety campaign organised by Elektrilevi.

Eesti Energia and Tallinn Technical University team up in lecturing about the challenges in strategic management of energy sector.

Watersports centre on Aidu opencast mine area voted as the 8th of the "Top 100 Estonian treasures", a public vote to find the Estonian treasures as part of celebrating the country's 100th anniversary.

As part of Energy Saving week we conducted video contest to find energy saving tips. More than 20 videos were submitted receiving over 100,000 views on Facebook.

Eesti Energia Kaevandused grants scholarship to six geo-technology students.

JULY

AUGUST

Elektrilevi and voluntary rescue workers from Järvamaa region sign cooperation agreement.

Water tour with hundreds of participants in watersports centre in former Aidu opencast mine.

All first graders of the employees of Eesti Energia Kaevandused receive schoolbag as a gift.

Miners' Day, the most loved event in Ida-Virumaa region, is held in Kohtla Mining Museum. Best miners are awarded.

SEPTEMBER

OCTOBER

Environment Day takes place. Eesti Energia is compliant with all new environment requirements concerning electricity generation.

Employee design contest was organised to find feasible solution for the usage of waste rock. The students of Estonian University of Life Science under the supervision of the employees of Oil Shale Competency Centre are looking for alternative use for waste rock.

NOVEMBER

DECEMBER

Ida-Virumaa Talented Youth Energy Fund scholarships granted.

STRATEGY

Eesti Energia's strategy was approved by the Supervisory Board in December 2013. In spring 2015, strategic action plans were reviewed due to significant changes in market conditions. According to updated action plans, the Group targets higher operating efficiency but also undertakes development projects that will contribute to operating income within the next five years.

> Eesti Energia's operation is based on effective value adding to energy resources which is mainly to be achieved through efficient cogeneration of oil and electricity, as well as value creation from renewable energy resources, sales of energy and services, and provision of the distribution service.

To achieve higher cost efficiency, the Group is seeking to halt the rise in the product cost of oil shale by adjusting the mines' extraction volumes to the Group's competitive electricity generation. Mining efficiency has been improved by the implementation of dual dragline systems and in 2016 larger loaders and longwall mining will be implemented. In connection with changes made to improve mining operating efficiency and flexibility, number of miners was reduced by around 200 in 2015.

In 2015, the Group's oil production grew to 336.5 thousand tonnes. To sustain gradual output growth, the Group is planning to reduce down time and increase load of Enefit280 oil plant. Focus areas include development projects that increase oil output such as purification of heavy fuel oil and gasoline extraction from oil shale gas. The decision on whether the Group will invest in gasoline extraction from oil shale gas is expected to be made at the beginning of 2017. In the event of a positive decision, the equipment should start operating in 2018. The first heavy fuel oil purification tests will be conducted in 2016. The Group is seeking and testing different more competitive fuel mixes for producing electricity and oil. In August 2015, a procurement tender was announced for increasing the share of oil shale gas in generating unit 8 of the Eesti power plant to 50%. The upgrade will allow utilising the gas produced by the oil plants more efficiently, reducing emissions to the environment and operating the power plants more flexibly. Work should be completed by the end of 2018.

> In 2015, electricity and oil derivatives transactions yielded a gain of EUR 72.0 million.

In response to the volatility of prices on the power exchange, the Group will continue planning the load of the Narva power plants according to the market price of electricity. In the field of renewable energy the Group is carrying out a pre-development considering building a wind park in Pärnu County, Estonia, investment will be decided in 2017 the earliest.

In 2015, electricity and oil derivatives transactions yielded a gain of EUR 72.0 million. In a couple of years previously secured higher-price hedges will mature and this will impact the Group's results if electricity prices remain low subsequently.

In the retail sale of electricity, the focus of 2015 was on improving business process efficiency. As customers and purchasing decisions are increasingly shifting into the e-channels, enhancing online and mobile solutions has become a priority. In 2015, customer service was adjusted so that office-based services are available to the customers of only Elektrilevi (the subsidiary that operates the distribution network) in major centres of the country.

For higher cost efficiency, the Group continued streamlining its Support Services: different procurement functions were integrated into a single Procurement Service, the real estate and secretarial functions were merged into the Administrative Service and the Group's human resource staff was brought together into a single HR Service.

Although by 2015 a period of major environmental investments had ended, work aimed at improving the efficiency and reducing the environmental impacts of oil shale processing continued. The Group is working hard to increase the utilisation of energy production by-products and has launched numerous research and development projects to find ways for expanding the use of waste rock and oil shale ash. For example using waste rock in road construction or using oil shale ash to improve the soil quality in agriculture and reforestation.

> All of Elektrilevi's customers will have a remote reading meter by the end of 2016.

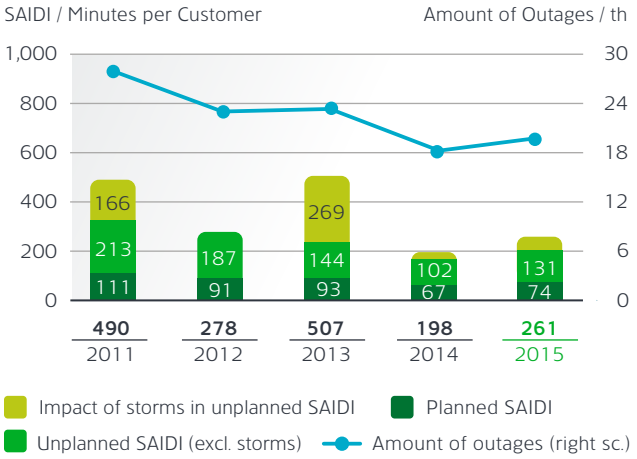
The objective of the distribution network operator Elektrilevi is to manage the network efficiently and to increase customer satisfaction. Elektrilevi has to ensure that all market participants have equal access to network service and that the quality requirements established by the regulator are met.

In 2015, Elektrilevi continued to install remote reading meters. All of Elektrilevi's customers will have a remote reading meter by the end of 2016. The project involves installing around 620,000 smart meters that record electricity consumption on an hourly basis. The new meters release the customers from the obligation to submit the reading and allow them to make more informed decisions regarding their consumption and selection of the electricity package.

The distribution network operator invests consistently in network reliability. Even though the number of service interruptions is strongly influenced by weather conditions, recent years' decrease in the number and duration of outages reflects that the distribution network has become more reliable.

Elektrilevi wishes to continue to ensure the security of supply that meets the customer's expectations by investing in the network's storm resistance and reducing the duration of power outages. Efforts are made to develop solutions that improve service quality and, at the same time, reduce network size i.e. the length of cables and amount of substations and increase investment efficiency. In sparsely populated areas the distribution network operator plans to develop distributed generation solutions, which could prove more cost-effective and replace the network at the consumption.

Amount and Duration of Outages in the Distribution Network of Elektrilevi




Estonian oil shale
was formed in shallow seawater
450 million
years ago

Tax Payments in Estonia by Eesti Energia Group* (million euros)

TAXES PAID	IN ESTONIA 2015	IN ESTONIA 2014	CHANGE	CHANGE
Payroll taxes (social tax, employer unemployment insurance)	**39.5**	40.2	-0.7	-2%
Environment charges: resource charges	**28.6**	25.9	2.7	10%
Environment charges: pollution charges	**28.9**	28.3	0.6	2%
Corporate income tax	**0.4**	28.8	-28.4	-99%
Customs VAT	**0.4**	0.5	-0.1	-20%
Land tax	**0.3**	0.4	-0.1	-25%
TOTAL TAXES PAID	**98.1**	124.1	-26.0	-21%
TAXES COLLECTED				
Excise taxes	**30.1**	29.2	0.9	3%
Payroll taxes (income tax, employee unemployment insurance, pension payment)	**23.8**	25.5	-1.7	-7%
VAT (balance)	**19.0**	25.1	-6.1	-24%
TOTAL TAXES COLLECTED	**72.9**	79.8	-6.9	-9%
TOTAL TAXES	**171.0**	**203.9**	**-32.9**	**-16%**

* cash based

TAX FOOTPRINT

Our tax footprint reflects taxes paid and taxes collected. Taxes paid represent taxes that are carried by the entities of Eesti Energia Group. Taxes collected represent taxes that are collected from customers and employees on behalf of government. Eesti Energia considers its obligation the timely and correct payment of all taxes thus contributing to the economies where it conducts it business operations. The Group prioritizes openness, honesty and transparency with tax authorities.

> With 63.3 million euros Eesti Energia Group is by far the largest payroll tax payer of all companies operating in Estonia.

With 63.3 million euros Eesti Energia Group is by far the largest payroll tax payer of all companies operating in Estonia. The cost of environmental taxes and charges is the largest tax expense besides payroll taxes. Environmental charges are used to finance the preservation of environmental status for specific purposes, reproduction of natural resources and rectification of environmental damage among other things.

Compared to previous year the tax payments were mostly impacted by corporate income tax. Since the dividends were paid out in December 2015 the corporate income tax is reported in 2016.

Corporate governance and risk management

Eesti Energia's corporate governance policies are aimed at ensuring that the Group is consistently and transparently managed.

Eesti Energia's sole shareholder is the Republic of Estonia that maintains an ownership interest in Eesti Energia in order to:

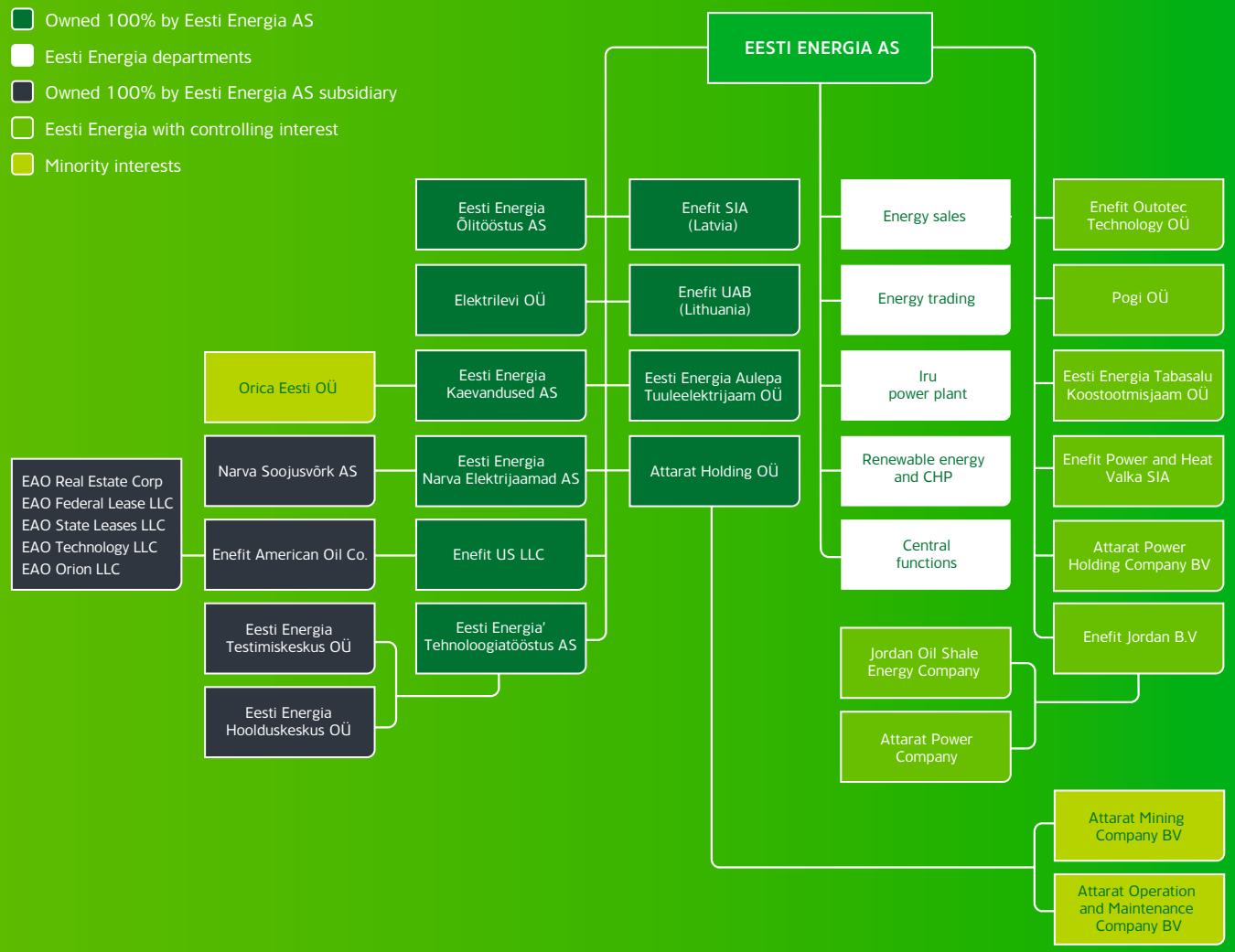
- add maximum value to Estonia's primary natural resource, oil shale, and related expertise;
- grow the company's value and ensure stable dividend income;
- ensure the security of power supply in Estonia;
- provide employment for regional labour resources; and
- reduce adverse environmental impacts

Eesti Energia's Supervisory Board and Management Board share the ambition to develop and manage Eesti Energia so that it would be a positive example for all other Estonian companies in terms of clarity of strategy, good corporate governance practices, operating efficiency and financial performance as well as collaboration with all relevant stakeholders.

Designing and implementing the company's strategic directions is the responsibility of the Chairman of the Management Board who composes his or her own team and agrees it with the Supervisory Board.

Key determinants of Eesti Energia's management are the owner's expectations, the Group's vision, agreed strategic objectives and values, and the laws, regulations and other documents that regulate the operation of the Group and all its entities.

LEGAL STRUCTURE



Principles

Our principles of social responsibility can be described on two levels. The first level combines our values and code of ethics, the second level focuses on processes, i.e. the management and operations of the organisation.

Corporate core values are the agreed principles we base our daily work-related decisions. These principles support our investment-related decisions but also any decisions we have to make in our work.

Eesti Energias' Code of Ethics is a set of rules of professional conduct. We expect all our employees, members of Management and Supervisory Board and co-operation partners to follow the principles of Code of Ethics.

> Eesti Energia's Code of Ethics reflects the vision, values and best practice of Eesti Energia.

We believe that by following the principles of Code of Ethics we increase the value of the Group while ignoring such principles we may damage the Group's reputation.

Eesti Energia's Code of Ethics reflects the vision, values and best practice of Eesti Energia.

1. We will be honest and reliable and agree only with legally binding agreements and transactions.
2. We will use the assets prudently and economically.
3. We will treat everyone with courtesy, respect and consideration.
4. We will avoid from relations with public, customers, partners, competitors and colleagues that is or will bias our neutrality.
5. We will not compete with the employer nor damage the interests of employer with our private business interests.
6. We will follow Code of Ethics in our daily work.

We updated the sponsorship principles in 2015 including classification of areas Eesti Energia supports, identification of selection criteria of support projects, description of sponsorship procedure and regulation of work procedure of sponsorship committee.

MAKING IT EASY

We take something complicated and make it easy and clear.

ADDING VALUE

Above all, we focus on the activities that create maximum value.

SAFETY ABOVE ALL

Our operations have always been associated with risks to the environment and personal health, so we always uphold occupational safety, health and the environment.

USEFUL TO CUSTOMERS

We can only enjoy success if we create customer value.

IT DEPENDS ON ME

My energy, will and responsibility ensure ourcommon goals are achieved.

Organisational Structure

Eesti Energia strives to keep the organisational structure of simple and, in managing the company, give priority to the Group's goals and needs. To make sure that management is as effective and efficient as possible, we make a distinction between the management structure and the legal one. The governing bodies of Eesti Energia are the General Meeting, the Supervisory Board, the Management Board and the Audit Committee.

General Meeting

The General Meeting is Eesti Energia's highest governing body, which decides, among other things, the establishment and acquisition of new and the liquidation of existing companies, the appointment and removal of the members of the Supervisory Board, major investments, the appointment of the auditor, the approval of the results for the financial year.

Eesti Energia's sole shareholder is the Republic of Estonia that is represented at the General Meeting by the Minister of Finance.

Supervisory Board

Eesti Energia's Supervisory Board is a governing body that plans the Group's activities, organises the Group's management and supervises the activities of the Management Board.

Eesti Energia's Supervisory Board has eight members who are appointed by the resolution of the Minister of Finance who represents the sole shareholder. Half of the members of the Supervisory Board are appointed by the Minister of Finance based on the proposal of the Minister of Economic Affairs and Infrastructure.

The members of Eesti Energia's Supervisory Board have to meet the requirements and expectations set forth in the Commercial Code and the special requirements set forth in the State Assets Act. In addition, in conducting its activities, the Supervisory Board is guided by the Articles of Association of Eesti Energia AS and the rules of procedure approved by the sole shareholder.

The primary functions of the Supervisory Board include:

- respresenting, and supervising the implementation of, the strategy approved by the sole shareholder,
- planning the activities of Eesti Energia, adopting the Group's major strategic decisions, organising the company's management, supervising the activities of the Management Board and communicating the results of the supervision to the sole shareholder.

SUPERVISORY BOARD

ERKKI RAASUKE
Chairman of the Supervisory Board

VÄINO KALDOJA
Member of the Supervisory Board

VEIKO TALI
Member of the Supervisory Board

MEELIS VIRKEBAU
Member of the Supervisory Board

ANTS PAULS
Member of the Supervisory Board

DANEL TUUSIS
Member of the Supervisory Board

RANNAR VASSILJEV
Member of the Supervisory Board

MÄRT VOOGLAID
Member of the Supervisory Board

The Supervisory Board is headed by the Chairman of the Supervisory Board. In 2015, the composition of Eesti Energia's Supervisory Board changed. In September, the shareholder removed Kalle Palling and Toomas Luman from the Supervisory Board and appointed Väino Kaldoja as a new member of the Supervisory Board. In October, Ants Pauls and Veiko Tali were appointed as new members of the Supervisory Board and Randel Länts was removed from the Supervisory Board. In December, Peep Siitam was removed from the Supervisory Board and Rannar Vassiljev was appointed as a new member of the Supervisory Board.

At the end of 2015, the Supervisory Board of Eesti Energia comprised Chairman of the Supervisory Board Erkki Raasuke and members of the Supervisory Board Meelis Virkebau, Danel Tuusis, Märt Vooglaid, Rannar Vassiljev, Väino Kaldoja, Ants Pauls and Veiko Tali.

As a rule, the Supervisory Board meets once a month, except during the summer season.

Overview of the members of Supervisory Board, their rights and obligations, attendance in Supervisory Board meetings, remuneration and decisions approved during the financial year are presented in the Annual Report 2015 and at the website of Eesti Energia.

Members of the Supervisory Board of Eesti Energia have to meet the requirements and expectations set forth in the Commercial Code and the special requirements set out in the State Assets Act.

Supervisory Boards of Subsidiaries and Associates

The powers and responsibilities of the members of the Supervisory Boards of Eesti Energia's subsidiaries and associates are determined by their Articles of Association.

Their Supervisory Boards are generally comprised of the members of Eesti Energia's Management Board.

Management Board

Executive management is the responsibility of Eesti Energia's Management Board. The Chairman of the Management Board, who also performs the functions of the Chief Executive Officer, is separately appointed by the Supervisory Board.

In 2015, the composition of Eesti Energia's Management Board changed. In February, Margus Rink was removed from the Management Board and the company's Chief Financial Officer Andri Avila was appointed as a new member of the Management Board. At the end of 2015, the Management Board of Eesti Energia comprised Chairman of the Management Board Hando Sutter and the members of the Management Board Andri Avila, Raine Pajo, Margus Vals and Andres Vainola.

MANAGEMENT BOARD

HANDO SUTTER
Chairman of the Management Board

ANDRI AVILA
Member of the Management Board

RAINE PAJO
Member of the Management Board

MARGUS VALS
Member of the Management Board

ANDRES VAINOLA
Member of the Management Board

MARGUS RINK
Member of the Management Board until
28 February 2015

Management Principles

The Group's management principles and policies were reviewed and approved in November 2015. In 2016 these principles and policies will be implemented. Eesti Energia's management is determined by the owner's expectations, the Group's vision, agreed strategic objectives and values, and the documents that regulate the activities of the Group and all its entities.

Motivated employees are the key to Eesti Energia's success since their dedication helps to create value to customers and fulfil the owner's expectation. The employees of Eesti Energia are united by their desire for doing work that matters.

Our employees regard our core values highly: useful to customers, adding value, making it easy, it depends on me and safety above all.

The management of Eesti Energia assures that the employees:

- know the company's strategic goals and believe in achieving the set aims,
- know what is expected from them and do their best in areas of their competency.

Eesti Energia retains the employee motivation by recognising and developing their strengths. The management level considers it very important that each team member is doing work the employee is very good at. The Group has implemented a results-based goal setting system covering all processes and management levels therefore reaching at each and every employee. We have set result indicators to all critical success factors.

The managers of all levels are conducting regular four-eye conversations with their direct subordinates. We believe that the open two-way communication is a key to achievement of corporate goals. All Group leaders play key role in following the principles of people management.

Owner's Expectations

The owner's expectations are the set of principles that the Supervisory Board and the Management Board have to observe in designing the company's strategy and action plan and the company's strategic objectives and financial targets. The owner's expectations were rewieved by the minister of Finance in December 2015.

The owner's strategic expectations of the company are as follows:

- to maintain a significant market share in the regional electricity market,
- to reduce CO_2 emissions in power production,
- to develop oil production and other ways of adding value to oil shale,

- to reinforce international recognition of Estonia's competence in matters pertaining to the oil shale energy industry,
- to improve the quality of the distribution network service,
- to minimise the environmental impacts of the company's operations.

Central Functions

The following functions that support achievement of the Group's business objectives have been centralised and operate Group-wide: finances, human resources and internal audit, communication and marketing, IT, environment safety, administration, procurement and legal counselling.

Differences Applying to Management of the Distribution Network Operator

Under the Electricity Market Act, Elektrilevi as the distribution network operator has to ensure, among other things, that all market participants are treated equitably and that the information obtained by the network operator is protected.

The Group has adopted rules for handling confidential information in order to ensure that all market participants are treated equitably.

> We regard measuring social responsibility as a requirement for our business activity and an essential principle for decision-making.

In accordance with legislation and best practices, Eesti Energia has also put in place differences applying to the management of Elektrilevi, which ensure the network operator's independence in adopting investment decisions, conducting procurements and maintaining the confidentiality of information pertaining to market participants and customer contracts. The Supervisory Board of Elektrilevi is entitled to approve the company's annual financing plan and debt ceiling.

Agreed Reporting Principles

Quality management decisions are underpinned by accurate and timely information. It is essential that reporting should be both factual and forward-looking. This allows using the best knowledge to prevent risks from realising and turn them into competitive advantages.

Management reporting is mainly used internally within the Group. We distinguish between the performance-based reporting focusing on the company results, and

project-based reporting, which analyses on implementation of investments and development.

Reporting improvement is constant. The indicators impacting the achievement of set goals are reviewed.

Effective Supervision

Eesti Energia Group has implemented a multi-level and balanced chain of supervision, which is focused on the most critical risks. The risks determine what needs to be done to be able to adjust one's activities and help the Group best achieve its objectives.

Audit Committee

Eesti Energia's Supervisory Board has set up an Audit Committee and has assigned the Audit Committee rights and responsibilities in accordance with the approved rules of procedure. In its work, the Audit Committee is mainly guided by the statute of the Audit Committee and the Auditors Activities Act. The primary function of the Committee is to advise the Supervisory Board in supervision-related matters.

The work procedures of Audit Committee are described in more detail in the Annual Report 2015 and Eesti Energia website.

Internal Audit

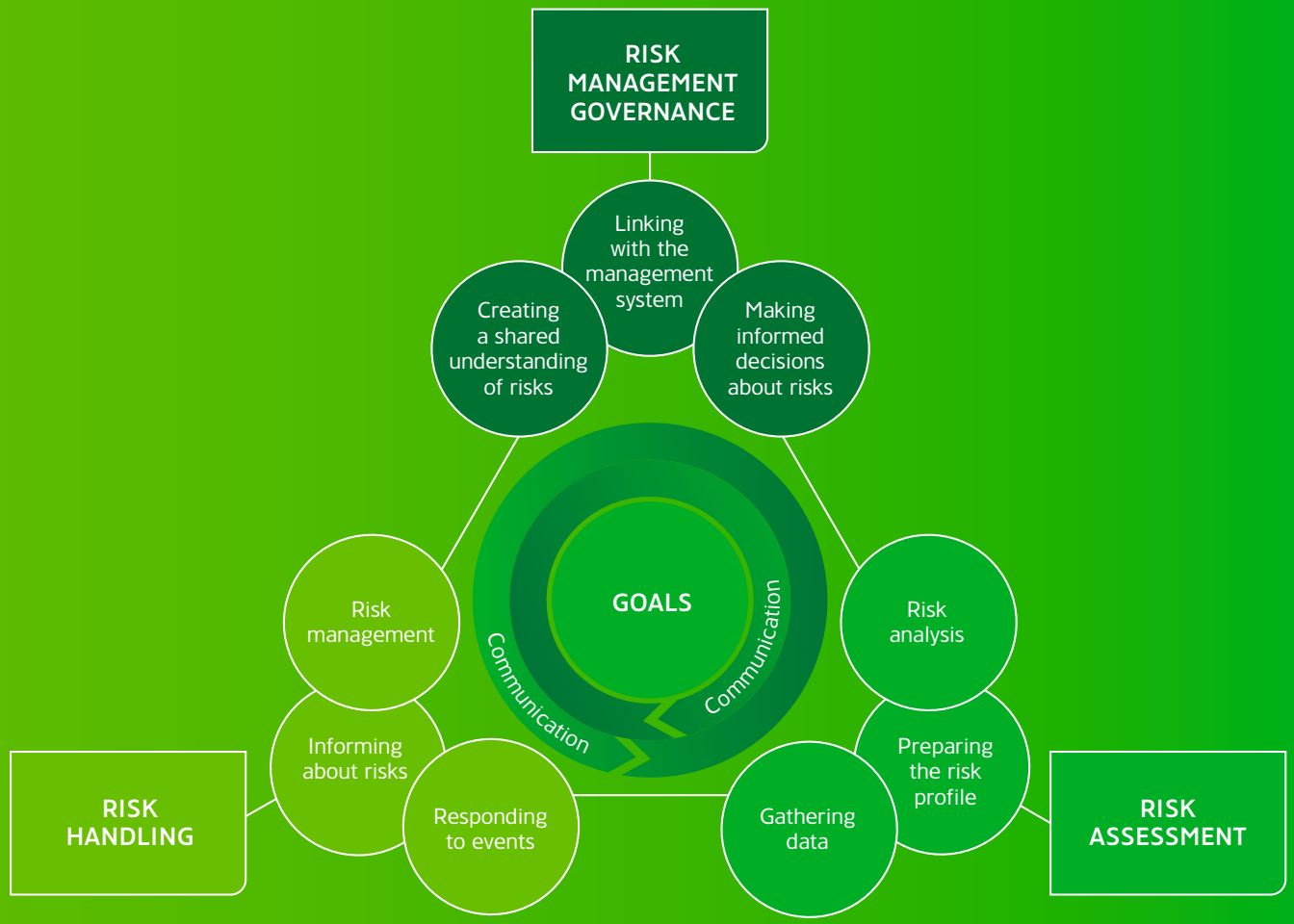
The Group's internal audit function has been organised and carries out its responsibilities in accordance with the International Professional Practices Framework that sets out international standards for internal auditing. The work of the internal audit function covers the activities of the whole Group.

Ensuring effective operation of the internal audit function is the responsibility of the Internal Audit Department. The Department is accountable to the Audit Committee and the Supervisory Board and its plans and reports are also evaluated and approved by the Audit Committee. The role of the Internal Audit Department is to contribute to improving Corporate Governance and Risk Management the internal control environment, risk management, and business management culture.

The Group has established a system for disclosing economic interests by which employees who may have conflicts of interest in fulfilling their responsibilities disclose their economic interests and confirm their independence through regular self-assessment.

Handling of inside information is regulated by Eesti Energia's inside information handling rules because the Group has issued Eurobonds listed on the London Stock Exchange. Proper handling of inside information is essential for protecting the interests of bondholders and ensuring fair and orderly trade of the bonds.

RISK MANAGEMENT FRAMEWORK



Risk Management

The primary goal of the Group's risk management is to ensure that the Group does not take on or assume more unhedged risks than it can carry in the process of meeting its objectives.

Governance of Risk Management

The Group's risk management is coordinated by the Risk Management Department, which is responsible for developing, implementing and maintaining the process required for managing all significant risks influencing the operation and performance of Eesti Energia.

Each Group company and business unit has to ensure, in consideration of its goals and targets, that its risks are managed. Moreover, it must be certain that when a risk realises the company or business unit can continue carrying out its designated operations in a sustainable manner.

Risk Assessment and Management

In each category, the Group has developed risk management strategies, implemented a risk quantification and reporting system, and determined the parties responsible for managing the risks within the Group.

Risk Reporting

Significant risks that may affect the achievement of the Group's goals and targets are regularly reported to the Group's Management Board and Audit Committee. The Group makes sure that the Management Board is promptly notified of all significant risks and that such risks are included in the Group's risk profile.

The risks and risk appetite can be divided into four broad categories

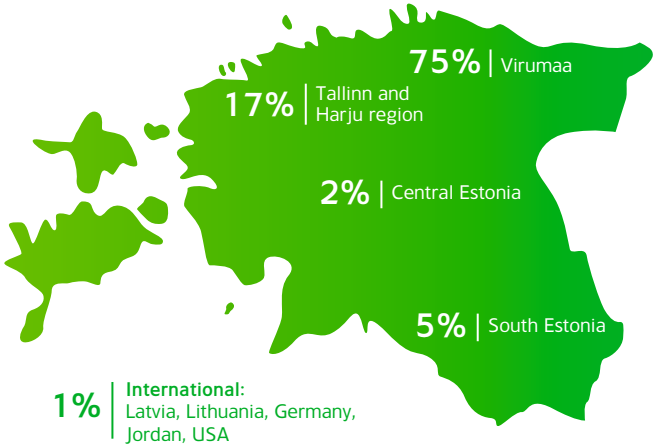
<table>
<tr><td>STRATEGIC RISKS</td><td colspan="2">The Group takes well-considered risks to increase revenue.</td></tr>
<tr><td>MARKET RISKS</td><td colspan="2"></td></tr>
<tr><td>FINANCIAL RISKS</td><td colspan="2">The Group controls the risks and keeps them as low as possible because they are an inherent part of its business operations. However, taking the risks does not result in additional revenue or is not the Group's core activity.</td></tr>
<tr><td rowspan="3">OPERATIO-NAL RISKS</td><td>ENVIRONMENTAL RISKS</td><td rowspan="2">The Group is not prepared to take these risks because doing so would jeopardise the environment, the health of the public and its employees, and its reputation.</td></tr>
<tr><td>HEALTH AND SAFETY RISKS</td></tr>
<tr><td colspan="2">The Group controls the risks and keeps them as low as possible because they are an inherent part of its business operations.</td></tr>
</table>


Engineers
are the spine of
oil shale industry


2014
2015
2016 +
75%
80%
Sean pikaajalised eesmärgid
lühiajalistest ettepoole

EESTI ENERGIA AS AN EMPLOYER

As at 31 December 2015 Eesti Energia employed approximately 6,000 employees, down year-on-year due to increased work efficiency, declining volumes and volatile market situation.



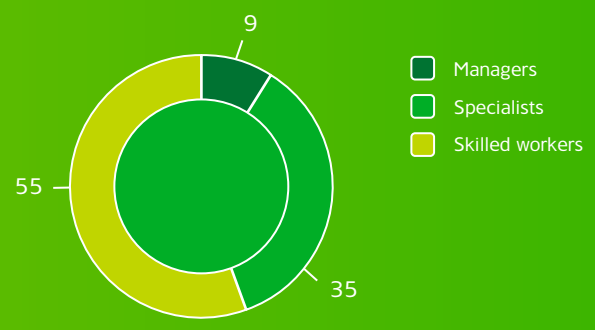
Commitment and Job Satisfaction Survey

We conduct employee commitment and job satisfaction survey every second year to have a better understanding of employee motivation, collect feedback and identify key factors impacting such commitment. The survey results are used as input to employee related management decisions, business planning and goal measurement.

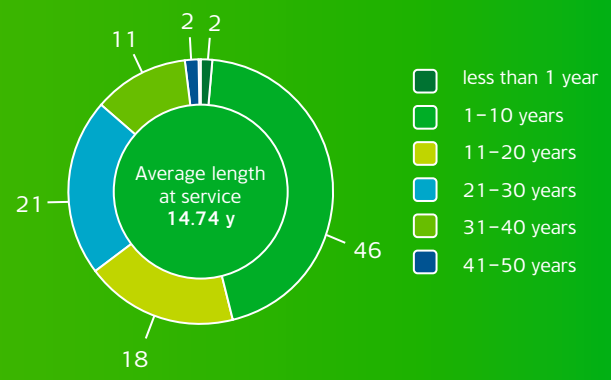
The last such survey taken in autumn 2014 indicated that we need work more with management level employees to ensure a smoother information flow to other employee levels. The survey also indicated that we need to work harder with communication with our international operations. Direct feedback from managers is one of the most important subjects besides general change management and internal communication. Many employees indicated that they miss direct regular feedback from managers that would help to improve their results and improve their career opportunities.

In 2015 we started to work with action plans of how to maintain and improve the employee satisfaction. We have also launched several training programs to solve the core problems indicated in the survey.

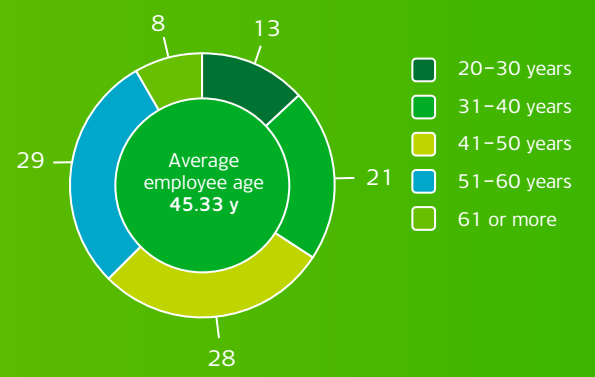
Employee Profile (%)



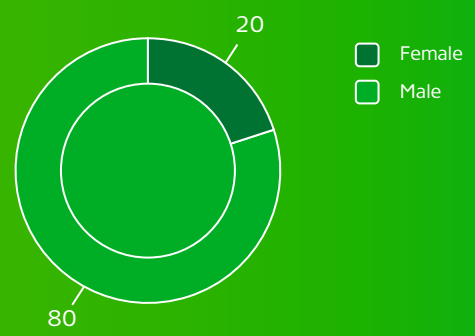
Length of Service (%)



Employee Age (%)



Split of Female and Male Employees (%)



Narva power plants launched a feedback system the aim of which is to collect employee feedback on work processes and environment, general atmosphere or other important matters. The system imitates a feedback system Oil industry successfully introduced already in 2013. In autumn 2015 a consulting partner was chosen to conduct a new survey and analyse the improvement made on previously identified development needs.

Employee Improvement

Project Management Improvement

In 2015 we launched an extensive development program for project managers. A total of 85 project managers passed the full program in two groups – the managers of giant projects (minimum project value of 600,000 euros) and the managers of large-scale projects. The program was divided into three modules – project management, people management and self-management.

In 2015 we analysed the impact of the improvement program on the quality of project management and continued to share internal experiences in the project management workshop format. In the fourth quarter harmonized principles were introduced that will be the basis for initiating and managing all projects in the group. The harmonized principles should ensure that all projects would be professionally managed and generate maximum value for Eesti Energia. We also put together a project management handbook that includes necessary support materials for project managers.

In 2016 we will update the handbook by adding sections on knowledge and skills to reflect the new project management principles and focus significantly on growing new project managers.

Management Improvement

In 2015 a number of training programs targeting managers took place: "Management key skills", "Leadership in Eesti Energia" and "Improvement by leadership". The latter was attended by close to 160 managerial level employees of the Group.

> To ensure one of our core values – safety above all – the management of all Group entities increased their safety knowledge in specific safety-focused training course.

To ensure one of our core values – safety above – the management of all Group entities increased their safety knowledge in specific safety-focused training course. In the leadership of Risk Management and Internal Audit division anti-corruption trainings were launched in December to increase the risk awareness of employees and improve the ethical problem solving skills they may encounter. We also started with media communication trainings to improve the skills and knowledge of spokespersons of Eesti Energia in communicating messages about the reputation and image of the organization.

In 2015 we started with mapping the internal trainers of Eesti Energia and writing down the training program principles. Our remarkable internal trainers have received positive feedback also from outside the organization – Estonian Internal Trainers Improvement Association awarded Tõnis Tajur from Elektrilevi as the Internal Trainer 2015.

Employee Improvement

We introduced a new human resource management policy in 2015, which states that employees should continuously focus on personal and professional improvement. Employee development and training in Eesti Energia is focused and systematic and based on the goals of Eesti Energia.

Primary Training Areas

	Share of total trainings		
AREA	2013	2014	2015
Engineering and production	39%	33%	**35%**
Organization and administration	25%	14%	**12%**
Leadership	12%	20%	**18%**
Environment protection and work environment	7%	7%	**10%**
Languages	6%	3%	**8%**
IT and computer studies	5%	13%	**9%**
Customer service	3%	5%	**3%**
Other (law, legislation, personal development)	2%	5%	**5%**

Average Number of Training Hours per Employee Segment and Sex

	Average number of hours		
SEGMENT	2013	2014	2015
Management	20.8	10.2	**36.6**
Specialists	16.1	9.2	**33**
Others	9.6	23	**9.6**
Male	12.5	12.7	**16**
Female	14.7	8	**20**

In 2015 Eesti Energia invested 113,000 hours and 1.1 million euros to employee improvement.

The male employees received 16 hours of training compared to 20 hours for women.

Managerial level employees were trained on average 36.6 hours, specialists 33 hours and others 9.6 hours.

In 2015 we continued with implementing Eesti Energia's core values updated in 2013. We expanded the debate format to the whole Group so that employees could draw connection between the values and daily operations as well as debate about the role of values in corporate management.

Our Value Proposition to Our Employees

Eesti Energia values its employees by:

- providing the employees work they know and love with further improvement opportunities,
- fair remuneration considering their contribution to the achievement of corporate goals,
- recognising the employees who have achieved or exceeded the set goals.

Quite often the employer and employee relationship continues after the employee has left Eesti Energia. Our former employees who have contributed to the company over a long time and are now retired have joined the veteran clubs.

Quite often the employer and employee relationship continues after the employee has left Eesti Energia. Our former employees who have contributed to the company over a long time and are now retired have joined the veteran clubs. In 2015 we continued to support the social gatherings of such clubs and organised meetings with management to share information about the company.

In 2015 we organised the following joint events: New Year's Party for employees, Energy Day and Narva Energy Run, Miners Day for employees and their families and the Ida-Virumaa region in general, Christmas Parties for children of our employees of up to 13 years of age.

We recognised the best employees in the New Year's Party. Gold (5) and silver medals (37) were given out in

four categories: lifetime achievement in Eesti Energia, successful beginning, outstanding mentor and caring colleague.

Engineering Solution of the Year was this time awarded to EE Hoolduskeskus for upgrading the electrical appliance of walking excavator in Narva opencast mine. Achievement of the Year 2015 was awarded to increasing the share of shale gas in the production of electricity in Eesti power plant. The Management Board gave out a special award to Eesti Energia's bond refinancing team.

Employee commitment and job satisfaction survey indicates that 80% of employees appreciate the benefits offered by the company whereas such benefits are somewhat more important for workers than for specialists and leaders. The benefit package varies across the Group companies but in addition to the above-mentioned joint events the benefits include also days off or financial support in case of important family events, celebrating the work jubilee, subsidising sports clubs, additional vacation, healthcare related services etc. .

Employment Termination

Year 2015 faced number of major redundancies in Ida-Virumaa region that impacted also Eesti Energia Kaevandused. The redundancies were a result of instability in oil market but also increased efficiency of production process. We have set up a support fund to allow those who have become redundant apply for entrepreneurship or retraining scholarship.

Employee commitment and job satisfaction survey indicates that 80% of employees appreciate the benefits offered by the company.

Sports Clubs

Eesti Energia is running three sports clubs — the Eesti Energia sports club and the sports clubs of Eesti Energia Kaevandused and Narva power plants with close to 3,000 members. Approximately 2,700 of those are the employees of Eesti Energia while the rest are family members. Besides weekly trainings our employees are actively attending different recreational sports events as well as internal and cross-firm competitions sponsored by sports clubs. In 2015 the Group companies supported sports clubs with ca 350,000 euros to promote recreational sports.

Future Employees and Successors

The future of oil shale industry is very much dependent of people with engineering skills who can develop and implement innovative solutions. The demand for young workforce is also caused by the retirement of current engineers in the coming 10 years. Therefore our focus is primarily on a) increasing the attractiveness of engineering among young people and b) introducing Eesti Energia to students who have already enrolled in engineering courses by offering practical hands-on approach together with our employees.

Internship opportunities in Eesti Energia companies under the guidance of our professional specialists have become one of the most important activities in developing our future employees. Internship opportunities are available throughout the year but the interest is largest during summer months. Our highest expectations are on engineering (mining, construction and mechanics, electrical engineering etc.) but every year we also have interns in the headquarters of Eesti Energia. In 2015, we had 319 interns of whom 251 did their internship in our entities in Ida-Virumaa region and 68 in Tallinn.

In addition to internship opportunities we support future engineers through our scholarship programs. In 2015, we provided scholarships to 5 engineering students of Ida-Virumaa Vocational Education Centre and 6 geotechnology students of Tallinn Technical University.

We have invited students to site visits to diversify the study process and give them better practical overview of the profession. In 2015 we hosted 64 study visits and excursions to 1,464 pupils and students.

For the second year we continued with hosting "Wisdom Quest" program in Aidu openpit mine. In 2015 the 9th graders from Saue Gymnasium were lectured about oil shale followed by canoeing on Aidu channel.

Eesti Energia, Viru Keemia Grupp and Eastman Specialities signed goodwill agreement with Jõhvi Gymnasium to increase the interest of local youth in studying engineering in Ida-Virumaa region. As part of goodwill agreement we help to establish, implement and develop engineering related selective courses as well as improve in-depth mathematics and science courses. We also aim to increase the awareness of job shadowing and internship possibilities.

"Strategic development of energy system" lecture course in cooperation with energy faculty of Tallinn Technical University took place for the fifth time during 2015 autumn semester. 15 top specialists of energy sector and Eesti Energia including 3 experts from Finland focused on challenges and development possibilities within energy sector. The course that was open to all interested parties was attended by close to 95 participants.

In 2015 we sponsored 7 projects with total of 13,400 euros to promote engineering studies and develop future engineers. The projects included writing of several engineering textbooks, organizing science related recreational activities at Oil Shale Competence Centre, organizing conferences introducing engineering etc.

Development Program for Engineers

Engineering competency and future engineers play key role in ensuring the sustainability of oil shale industry. In 2015 we launched Insenergia, a youth development program, the aim of which is to promote education in engineering, target the most talented students in the program and sponsor their further development. Student teams solved real-life engineering technology related tasks over the five-month long pilot program. The program mentors were experts from Eesti Energia. The program included several study visits to production facilities and participation in internal trainings and events of Eesti Energia. Additionally, the 14 carefully selected participants received a scholarship from Eesti Energia. The participants appreciated Insenergia program highly including the opportunity to complement theory with practical cases. Additionally, the participants mentioned that due to the program they know now more about Ida-Virumaa, a region where most of Eesti Energia's production is taking place. The program also increased the courage of the participants to initiate and develop the ideas that may have seemed impossible in the first place. The program allows the participants also see how a large corporation functions. Many of the participants decided to join us for internship after the program. We will continue with the program also in 2016.

Safety of Work Environment

One of the core values of Eesti Energia is safety above all. Many of Eesti Energia's employees are exposed to physical, physiological and psychological hazards, and work under difficult conditions and/or outdoors. In 2015 we focused even more on work safety.

We established a Board for Work Safety that is run by the member of the Management Board of Eesti Energia responsible for production and that includes working environment specialists of different Group entities. The Board for Work Safety analyses the crucial working environment and safety problems and the causes for job accidents. It is also an organization for exchanging related experiences. The aim of the Board is to improve the cooperation between Group companies in advancing safety culture.

In order to achieve the set aim we defined 12 safety rules in 2015. The safety rules were based on the analysis of job accidents and dangerous situations encountered in

our work. Therefore it is particularly vital to follow such rules for avoidance of accidents. In 2015 we completed and took into use training movies presenting potential dangers employees may encounter in Estonia mine, Narva openpit mine and logistics.

Occupational health and safety trainings take place regularly to train employees in preventing work related risks, analysing such risks and finding the best technical and economical solutions in dealing with these risks. We conduct regular risk awareness checks to control and fix the work safety related knowledge. Additionally, we introduced a quarterly work safety day that is attended also by Group management. All jobs have passed work environment and safety risk analysis.

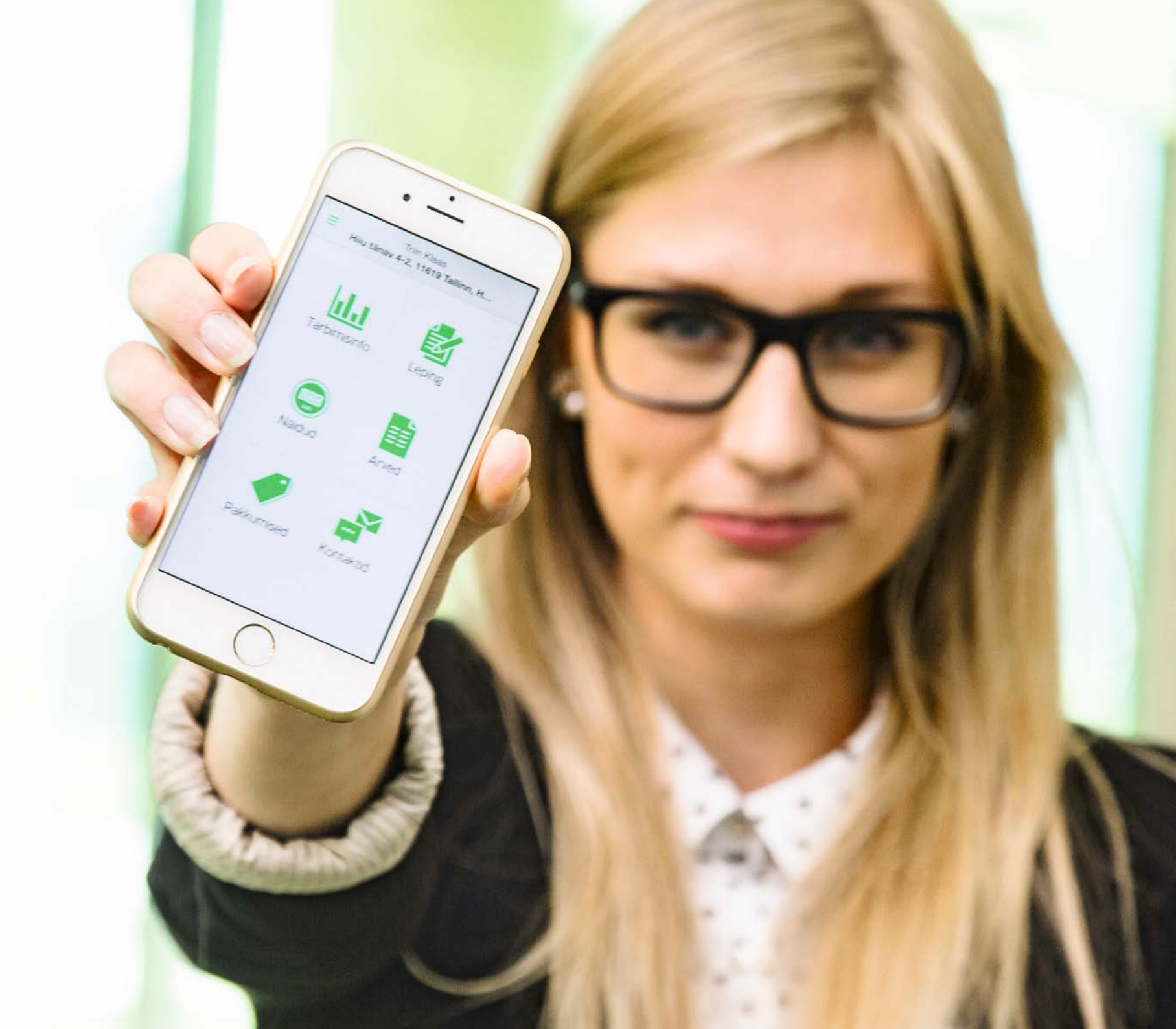
All new employees (including those working in office) pass work safety training once employed. In spring 2015 fire safety trainings were organized for the employees of Eesti Energia AS headquarters. Similar trainings will be organized in other Group entities in the near future. In autumn 2015 work safety training was arranged for the top management of the Group followed by an exam to pass the course.

All production entities of Eesti Energia have implemented OHSAS-18001 standard "Control systems of occupational health and safety". The principles and requirements are the basis for designing the occupational environment and work safety.

12 Safety Rules of Eesti Energia

We advise our co-operation partners of the ethical, fire and occupational safety requirements of our company, and expect the employees of our contractual partners working on our site to comply with these requirements.

Oil shale power plant supports generation of renewable energy from low-value timber and logging residue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Customer relations

Building customer satisfaction and improving service and product quality play key role in maintaining customer relations. In 2015 our focus was on providing quotes that meet customer needs, introducing straight-forward packages and pricing principles as well increasing price competitiveness. Additionally, we also focused on more efficient solving of corporate customer billing related problems and increasing service quality.

In 2015 our focus on customer relations was on following key aspects:

- customer-focused consulting and providing quotes meeting customer needs,
- more straight-forward and clear packages and pricing strategy,
- solving corporate customer billing issues.

The most outstanding improvements in 2015 include the collection of more accurate power consumption data (increase in data received via remote reading system) and better consumption reporting behaviour. Additionally, the reorganisation arising from market changes has brought advisory into spotlight of our service model. The sum of these improvements has awarded us with an extraordinary result: in 2015 the customer satisfaction indicators were the best of last six years.

> In 2015 our focus was on providing quotes that meet customer needs, introducing straight-forward packages and pricing principles as well increasing price competitiveness.

To achieve the year 2015 goals:

- we simplified the process of changing the service provider,
- we continued to improve the e-service environment,
- we continued to improve the process of prolonging the electricity contracts,
- we developed a personal service model for business customers,

- we solved billing related customer inquiries faster and more efficiently,
- we developed customers value propositions,
- we simplified service process,
- we developed customer-focused advisory services in manned service channels,
- we launched a mobile app.

Customer Satisfaction Highest in Six Years

The annual customer satisfaction survey conducted annually together with TNS Emor, is used to make business decisions, prepare action plans and measure set goals.

Survey results in 2015 were the best for the last six years! According to TNS Emor the three-point increase in the results is remarkable. Feedback from household customers has improved in almost all key areas of customer relations. With these results the average benchmark of the European energy companies has become too low and we can rather benchmark ourselves with TOP 33% of European energy companies that requires a minimum of 62-point TRI*M index.

The latest survey indicates that also our corporate customers are more satisfied and their feedback has either improved or stayed at the same level as a year ago in all key areas of customer relations. Personal approach by our customer relationship managers is highly valued. Additionally, we received improved feedback on the customer relationship managers' initiative, problem solving speed and sector knowledge. Feedback was very good also on pricing transparency, understanding and ability to solve billing related issues.

Customer Relationship Index (Tri*M)

	2010	2011	2012	2013	2014	2015
Household customer relationship (or Tri*M) index	49	31	45	42	61	**64**
Corporate customer relationship (or Tri*M) index	39	29	36	38	53	**57**
Large corporate customer relationship (or Tri*M) index	39	49	50	42	64	**66**

Customers consider the following as our strength:

- efficient administration and friendly service,
- efficient contracting and contract renewal process,
- simple and understandable products,
- accurate billing,
- customer specific consulting and professional approach in solving issues.

Customer Services in Accordance to Service Standards

We ensure high service quality by implementing Eesti Energia service standards, which are based on the customer expectations and the specifics of our business. We have set goals to assess the service quality and efficiency in service channels that allow us to measure the contentment of customers with the competence of customer service and suitability of suggested solutions.

As we sell electricity to more than 560,000 consumption points we have to be ready to handle thousands of inquiries each day. Therefore, we are constantly following the number and content of customer inquiries for analysing purposes. We train our employees for the sake of quality, efficient and professional services.

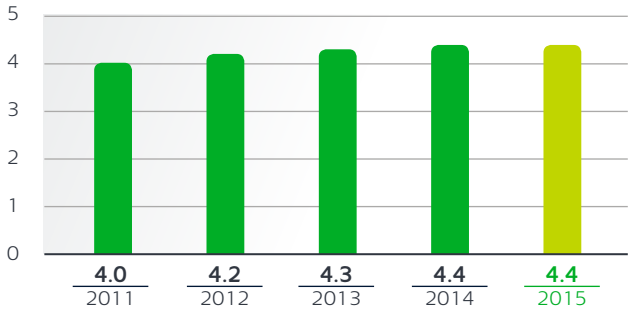
Getting Ready for Launching Professional Counselling Centre

In 2015 we made preparations for launching a full service solution counselling centre in 2016 to replace the existing call centre, e-mail service group and service centres.

According to our service standard 70–80% of calls should be answered within 25 seconds. In 2015 we met this standard in 74% for customer service line and 75% for fault notification line. We launched a callback service in February to make the work of call service centre more efficient. The service allows customers to choose a callback rather than wait in the waiting list. We also paid more attention to efficient post counselling service to ensure the customer has received answers to all outstanding questions.

While in 2014 we received inquiries on electricity contracts and network services from 115,451 customers then in 2015 the number dropped to 98,211. Such a dramatic drop has been achieved primarily due to increased process efficiency and more personal response letters.

Customer Assessment of our Customer Hotline Number in 5 Point Rating Scale*

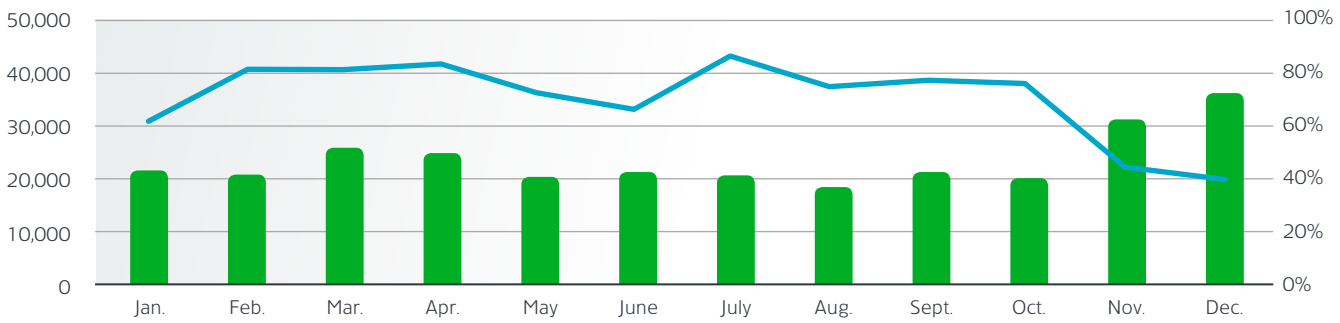


*Assessment is based on Eesti Energia's monthly feedback survey from customers who had contacted us in previous month

Customer inquiries are also solved over phone. However, e-mails are still preferred due to speed and convenience.

We are targeting to respond 80% of e-mails within 24 hours and 99% within 72 hours to ensure the quality of e-mail service. The average monthly results from 2015 indicate that we have reached almost the maximum result of this standard – 75% of e-mails were responded within 24 hours and 99% within 72 hours.

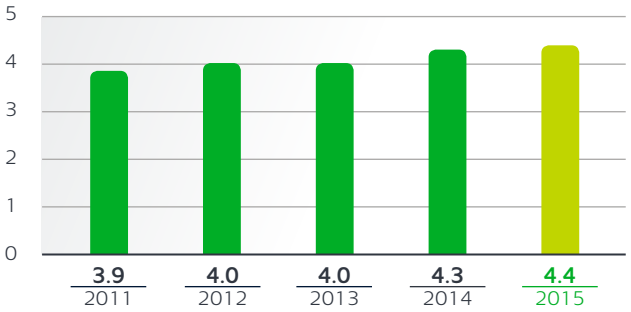
Number of Calls to and Level of Service of Eesti Energia's Customer Hotline Number 1545*



Total number of calls — Level of service (%)

*Includes inquiries about network service of Elektrilevi.

Assessment of teenindus@energia.ee in 5 Point Rating Scale*

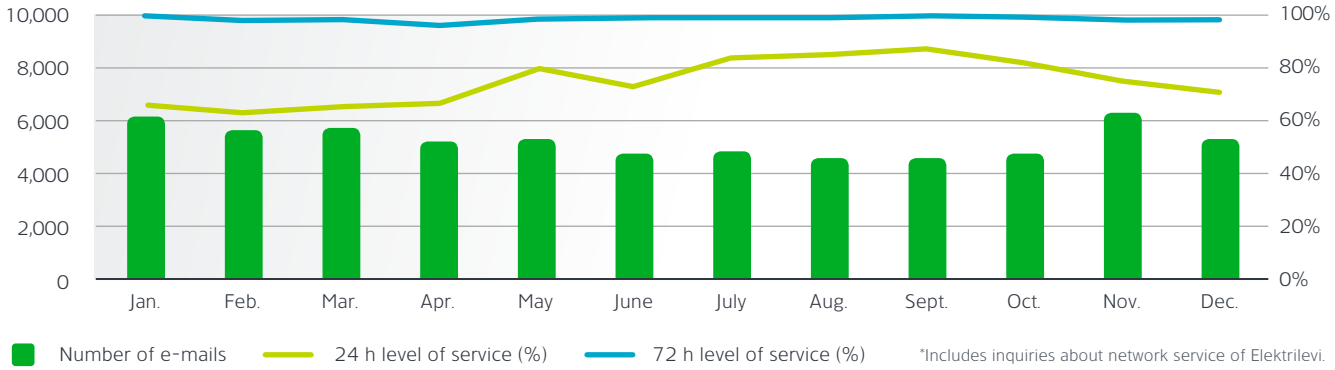


*Assessment is based on Eesti Energia's monthly feedback survey from customers who had contacted us in previous month.

We have implemented a work schedule allocation, which allows us to have optimum number of employees available for faster e-mail service at busier times.

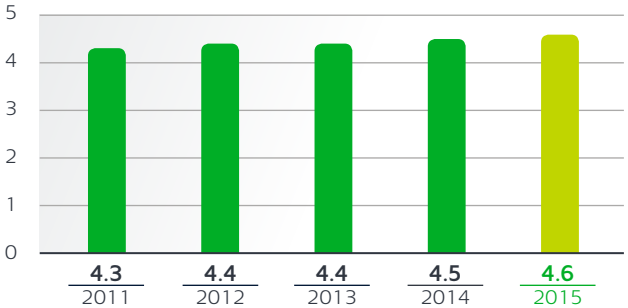
Since customers prefer e-service or customer hotline numbers that are faster and more convenient service channels, certain changes took place in the office network in 2015. The decrease in number of visits by customers is also caused by transition to remotely read meters and therefore customers no longer need to visit sales offices to report the recent power consumption. Therefore the customers of Eesti Energia are serviced by e-mail and

E-mails Sent to and Level of Service of teenindus@energia.ee*



*Includes inquiries about network service of Elektrilevi.

Customer Satisfaction with Sale Offices in 5 Point Rating Scale*



*Assessment is based on Eesti Energia's monthly feedback survey from customers who had contacted us in previous month.

hotline number. The customers of Elektrilevi can still look for assistance in service centres in Tallinn, Tartu, Jõhvi and Pärnu. In other regions the customers of Elektrilevi may receive counselling from regional specialists. The number of visits to request information about electricity contracts and network service dropped from 136,033 in 2014 to 57,453 in 2015 indicating that customers continue to prefer e-channels and hotline number.

Answers from E-service

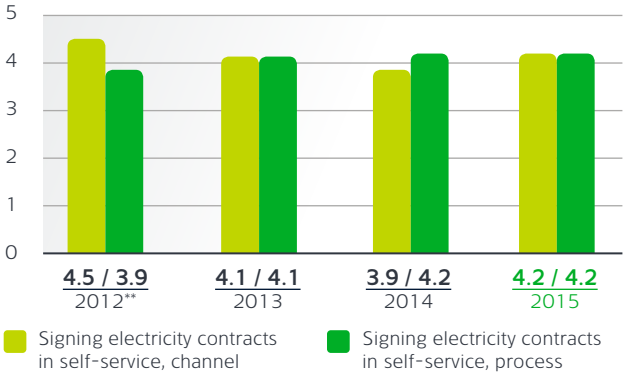
Eesti Energia's e-service is our most popular service channel used by every second customer.

Eesti Energia's e-service channels are operational 24 hours allowing customers to sign electricity contracts, review electricity price at the place of consumption, change electricity packages, report electricity consumption, view invoices received, sign authorisations, analyse consumption or fill in energy profile any time. The customers can also see targeted offers through e-service channel and if interested read about Eesti Energia.

Mobile App to Make Life Easier

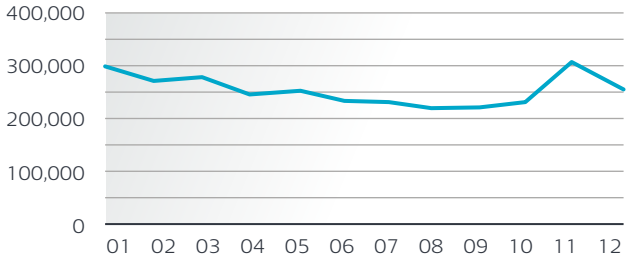
Besides website and counselling centre the customers can also choose Eesti Energia's mobile app for electricity related questions. By the end of 2015 the mobile app had 24,761 users. The app allows monitoring and managing daily electricity consumption, get information about market prices and view details about electricity contract such as length, packages and prices. Those customers who do not yet have remote reading system can also use the app for reporting electricity consumption. Since 2015 the app incudes a feature for viewing and paying electricity bills and compare the data with previous months. Each users can also see the partner offers and find customer service contacts.

Customer Satisfaction with E-service in 5 Point Rating Scale*



*Assessment is based on Eesti Energia's monthly feedback survey from customers who had contacted us in previous month.
** Since we started signing electricity contracts only in November the 2012 results indicate the average for November and December.

Number of Customers of E-service



Products Meeting the Demands of Each Customer

Our primary goal with product offers is to provide the needs-based solutions for each customer. Third year of operations in open electricity market assured us that our customers still prefer simple products that help them in protecting against electricity exchange price fluctuations.

Eesti Energia's electricity product packages are based on three easy choices: fixed price product package, exchange price based variable price product package and combined price product package of 50% of fixed and 50% of variable price. Among these packages the customer may decide on the term of the contract and whether the price rate will be the same for 24 hours or separate for day and night (dual-tariff price).

To help keeping energy costs under control Eesti Energia upgraded its mobile app in 2015 by adding payment feature and notification of consumption, fluctuations in energy prices and payment deadlines. Eesti Energia's corporate customers can also purchase gas together with electricity. Information about product news is available in e-service channel, newsletters and market overviews.

> Third year of operations in open electricity market assured us that our customers still prefer simple products that help them in protecting against electricity exchange price fluctuations.

Prices Based on Personal Consumption of Each Customer

Like in previous years customer electricity consumption was the key factor in pricing the electricity product packages also in 2015. Therefore we are always recommending our customers to consider consumption based price offers in our e-service channel besides public price lists and general information published in different portals. In order to see the consumption based price offers customer needs to login to e-service channel.

More than 70% of Customers Prefer Fixed Electricity Prices

Eesti Energia aims to advise customers on choosing the best product and offers its customers simple and transparent electricity prices. That is also a reason why each of our customers can check from e-service channel, which electricity price package meets the customer's needs the best. To see the price overview of the point of consumption customer has to login to e-service channel. The customer may sign new contract or replace the current electricity supplier for no extra costs.

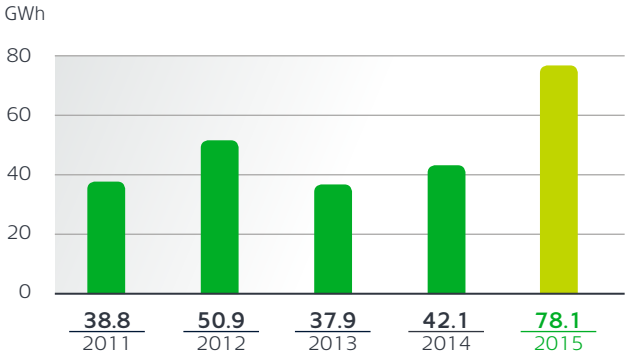
Automatic Extension of Electricity Contracts

As an option we offer our customers the automatic extension of existing electricity contracts. Before the end of existing contract term we send the customer an offer for the next contract period. If the offer is acceptable the contract is automatically extended without any intervention by the customer. In 2015 approximately 98% of our customers decided to extend the contracts automatically.

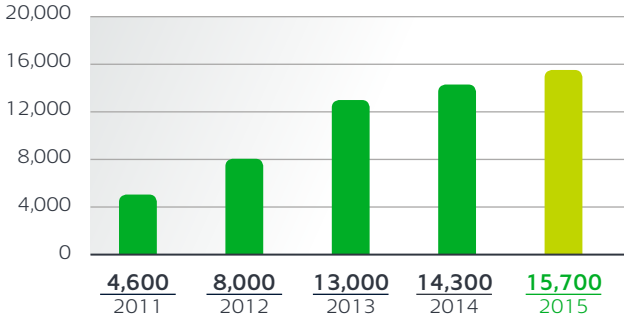
Popularity of Green Energy Growing

On market opening the customers had a critical view on their electricity prices and many customers gave up Green Energy due to growing costs. Today, when the customers have gotten used to electricity market prices, the interest in buying renewable energy is increasing. In addition to higher sales volume of renewable energy in 2015 it is worth noting that many Green Energy customers have remained faithful to environmental friendly energy since it was first introduced. As at the end of 2015 Green Energy was sold to 2,192 household customers and 170 corporate customers. In 2015, total consumption of Green Energy in Estonia amounted to 78.1 GWh of renewable energy.

Consumption of Green Energy (GWh)



Number of Customers who have Filled in Energy Profile



Smarter Consumption

In 2015, 17,000 unique users visited energy saving website of Eesti Energia at energia.ee/kokkuhoid. Our energy saving website is the most practical tool to analyse the usage of electricity, water and heat and the expenses by all energy types. By the end of 2015, approximately 1,400 customers had filled in their energy profile in our e-service channel. In addition to energy profile those interested in energy saving can also find other saving possibilities such as 3D-home models, recommendations, tips and energy saving blog.

Throughout 2015 Eesti Energia devoted a lot of time in spreading the conscious consumption mind-set. Part of the project was also energy saving video contest to find

smarter energy saving and consumption tips. We received 23 videos that received more than 100,000 views on Facebook. The thorough message was – turn off the lights and plug off the electrical equipment if not used.

Adding Value with Partner Offers

We continued with partner offers to our customers e.g. our customers could attend Narva Energy Run in summer for reduced fee and visit Energy Discovery Centre until the year-end for discounted price. We provide a variety of interesting partner offers to our household customers a year round.

We also launched a campaign targeting household customers the prize of which, drawn at the end of year, was full year of free electricity to 50 household customers

Customer Notification

We consider principle of simplicity when notifying our customers of upcoming changes. Our messages have to be equally understandable to all customers. Notification letters are sent in Estonian or Russian, a language preferred by customer. We use e-mail, regular mail, electronic newsletter, market overview, text message, message through e-service channel, cover letter to invoice and first page of invoice as notification channels.

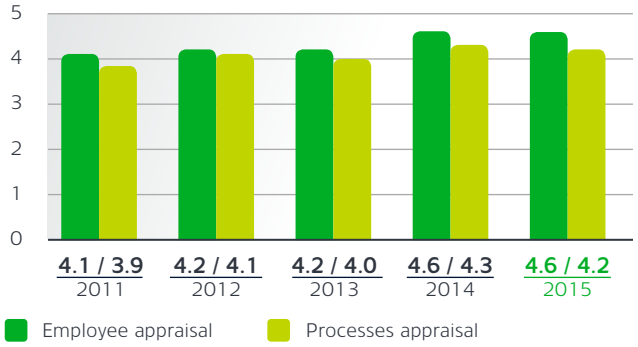
To prevent situations where the customer's mailbox is full and our notification letters will not be received, we continued in 2015 with implementing agreed work procedures. We used the procedures to review each returned e-mail, ascertain the reason for this return and used alternative channels to reach the customer.

Solving Billing Related Issues

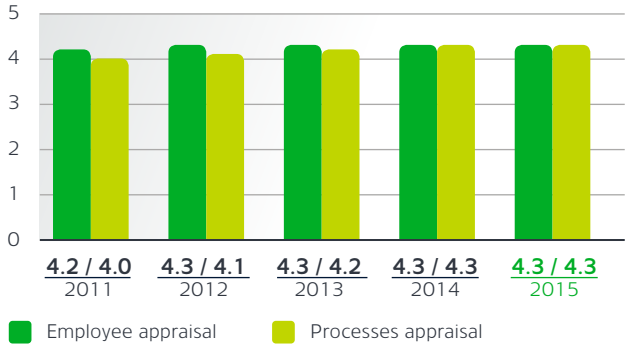
In 2015 we prepared some 530,000 invoices each month of which 99.8% were delivered without any problems. We continued with solving billing related issues such by improving data management and IT solutions. If needed we offered free payment schedule to customers who have faced the billing related issues over a long time period.

To make things easier we upgraded our mobile app with payment feature and consumption history and invoice balance feature. Additionally, all users can subscribe invoice and payment term notification.

Customer Satisfaction with Billing in 5 Point Rating Scale



Customer Satisfaction with Debt Settlement in 5 Point Rating Scale



Debt Management

In case of customer's temporary solvency problems we have, in general, come up with a solution satisfying both parties. Therefore, we encourage our customers to inform us of potential insolvency problems before the payment term. If possible we try to find the best possible solution, offer payment schedule or short-term payment grace period.

In 2015, we took a step forward in debt settlement process by channelling less complicated issues directly to service channels. This was done to ensure rapid solution to customers with excellent payment behaviour already on their first inquiry without having to wait due to debt management routines. Since the change took place the debt management team is focusing on daily management of debt portfolio, preventing more complicated problems and handling serious payment issues.

Customer Complaints

Our ultimate goal is to reach zero customer complaints. However, until this has not been reached the complaints have to be handled. Customer complaints are solved in the same database as customer inquiries not fully solved during the first contact. While in 2014 the second level customer inquiries (incl. complaints) amounted to 807 then in 2015 the number had increased to 3,901. The dramatic increase was caused by change in work process

Customer Complaints

	2012	2013	2014	2015
Number of customer complaints on second level	3,105	1,717	807	**3,901**
Time spent to solve inquiries (in days)	8	5	4	**2**
Timeliness of solved inquiries	88	94	99	**100**

when we started providing all follow-up services using single database. Daily reports allow us to distribute the tasks between responsible people so that all customer inquiries are handled instantly. As a result we responded 100% of customer inquiries on time in 2015.

Protection of Customer Data

We keep customer data complete, up-to-date and accurate. "Principles of customer data processing in Eesti Energia AS Group" approved by the Management Board ensures the protection of customer data.

Elektrilevi Focuses on Reliable Network Service

The key role of Elektrilevi, the distribution network operator of the Group, is to ensure the quality of distribution network service and efficient customer service.

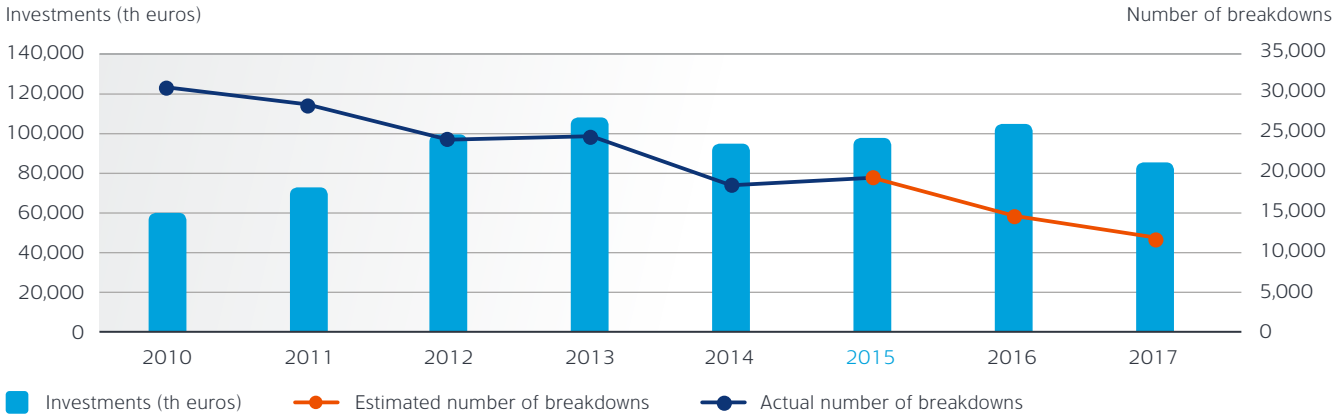
In 2015, Elektrilevi invested 93 million in network service improvement. On average we built five kilometres of transmission lines and one new substation a day. However, a more stormy weather that increased wind generation by close to 20% had negative impact on the level of network reliability. Last year total reconstruction of distribution network amounted to 1,773 kilometres while number of breakdowns increased 8% to 19,593 leaving the customers of Elektrilevi without electricity supply for 187 minutes on average. Last year around 290,000 households and enterprises did not have a single breakdown.

Growing weatherproof power network reduces successfully the possibility and length of power cuts. Elektrilevi aims to upgrade the power network so that 90 percent of customers would be connected to weatherproof power network by 2025. Over the last five years Elektrilevi has invested 472 million euros while breakdowns have dropped close to 33% indicating that Elektrilevi has followed reasonable investment policy and channelled the funds wisely.

In 2015, we continued with extensive installation of remote meter reading systems. By the end of the year 498,000 readers had been replaced. Transition to remote meter reader system will be completed by December 2016. The new meters save the customers from reporting their consumption and allow saving money by controlling their consumption and electricity package

In the second half of the year Elektrilevi and Türi Voluntary Firefighters Union signed a cooperation agreement for faster liquidation of storm caused damages. The agreement is in line with the company's goal of increasing the awareness of electric safety. As part of the cooperation agreement Elektrilevi gave Türi Voluntary Firefighters Union a free Isuzu D-max jeep and organised electric safety training. The jeep, formerly used by Elektrilevi's breakdown team, will now be mostly used by Oisu brigade of Türi Voluntary Firefighters Union for equipment transportation, fighting forest and wildland fires, human search and removing storm broken trees from roads and building. On need bases the jeep is used all over Järvamaa region but it is meant for Türi, Väätsa and Imavere parishes.

Following the purpose of Elektrilevi's safety campaign we increased the share of practical communication. During the electric safety campaign in 2015 the employees of Elektrilevi and Electro Rabbit (a mascot) trained close to 6,000 children and their parents to notice electric hazards. Elektrilevi and Estonian Rescue Board arranged 14 safety camps to students of elementary schools. Electro Rabbit, the mascot of electric safety, visited public family events, regional safety events and kindergartens to talk about electric safety.




More than 70%
of our employees work in
Ida-Virumaa region,
centre of Estonian
oil shale industry

ENVIRONMENTAL ACTIVTIES

For Eesti Energia, 2015 marked the end of an important period of major environmental investments. The transitional easing of environmental requirements granted to Estonia on its accession to the EU has expired.

From 1 January 2016 Estonia has to be in full compliance with all environmental regulations of the EU. In 2015, preparations that had lasted for more than ten years were successfully completed and today all of Eesti Energia's production facilities meet the environmental requirements that apply in the EU. Since the EU regulations are constantly changing we continue working to be ready for any upcoming requirement.

In 2015 our focus was besides adjusting with EU requirements also on increasing the efficiency and environment friendliness of our production capacities. This also reflects our strategic goals: maximizing the value of oil shale based energy, more flexible and efficient energy generation and increasing the usage of resources by deployment of energy by-products and production residues.

Air Emissions have Dropped Several Times

Over the last five years older generating units of the Narva power plants where the pulverised combustion technology is used have been supplied with desulphurisation and denitrification ($DeSO_x$ and $DeNO_x$) systems that have reduced sulphur oxides emissions three times and nitrogen oxides emissions almost two times

In addition to reducing emissions of sulphur and nitrogen compounds, in 2015 Eesti Energia modernised its power plants' electrostatic precipitators, which will significantly reduce the quantities of fly ash emitted into the environment. Last year, in connection with installing

> Environmental impact of Enefit140 oil plant has dropped significantly after improvement in production process.

flue gas treatment systems, five new stacks were built for the Eesti power plant that allow the Group to utilise the generating units that meet regulatory requirements more flexibly and efficiently and to manage production in a volatile market situation more effectively thanks to their enhanced emission measurement systems.

Since 2010, the Group invested EUR 134 million in reducing the Narva power plants' emissions to air. The efforts and investments made allow to continue generating electricity in previous volumes and using the existing plant and equipment in a situation where the EU environmental requirements apply to Eesti Energia in full.

Last year, we were actively engaged in reducing the Enefit140 oil plant's emissions that may cause odour issues. Eesti Energia invested EUR 2.1 million in modernising and enhancing different production processes. As a result, its environmental impacts decreased. Relevant activities will continue in 2016.

New Technologies that Reduce Environmental Impacts and Save the Resource

In order to keep up with continuously changing and tightening environmental requirements, Eesti Energia not only implements technical solutions that reduce emissions but also continues to invest in new and cleaner technologies. New technological solutions help increase production efficiency and energy and material utilisation as well as diversify the sources of primary energy by using municipal waste, biomass and energy production by-products.

Over the last five years Eesti Energia has invested more than 1 billion euros to more efficient technologies more environment friendly energy generation such as Auvere power plant, Enefit280 oil plant, Iru waste-to-energy unit, windparks and co-generation plants.

> Over the last five years Eesti Energia has invested more than 1 billion euros to more efficient technologies and more environment friendly energy generation.

In 2015, the commissioning of the Auvere power plant continued and first electricity was transmitted to the grid. Final commissioning is expected in the first half of 2016. New Auvere power plant is based on circulating fluidized bed technology and is able to co-fire oil shale and biomass on a 50/50 basis. e. The option of using biomass as reduces the environmental impact of power generation and increases the competitiveness of Auvere power plant in the light of stricter European Union climate policy.

Last year, the Enefit280 oil plant produced a record amount, 137.1 thousand tonnes of shale oil. Because of the innovative technology of the Enefit280 oil plant, its energy efficiency is higher than that of Enefit140 and other oil plants operating in Estonia and its environmental impacts are times lower. Thanks to its unique technology, the plant can not only produce shale oil and oil shale gas but can also use its residual heat to produce electricity. Such cogeneration enables Eesti Energia to derive more energy and twice higher value from oil shale while reducing the CO_2 emissions of residual heat recovery and oil shale gas based power generation by up to 40%, compared to direct burning of oil shale to generate electricity.

Last year, we contributed significantly also to increasing the generation of renewable energy. Thanks to favourable wind conditions, in 2015 Eesti Energia achieved record-high wind energy output – 223.3 GWh that would be sufficient for ca 90 thousand households with average electricity consumption for about a year.

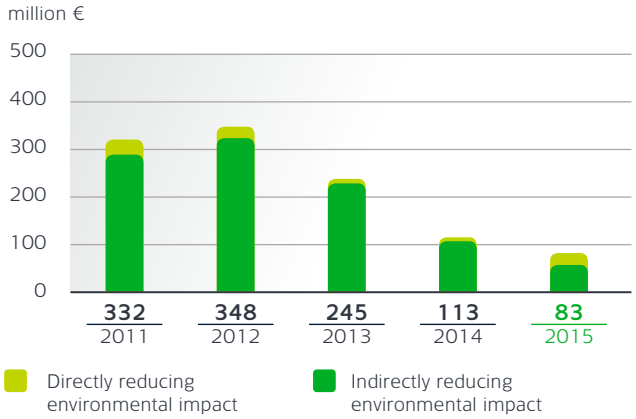
Hydro- and cogeneration plants generated approximately 25 GWh of energy in 2015, up by 15% year-on-year. In addition, Paide and Valka combined heat and power plant generated more than 63 GWh of heat.

Resources Used

		2011	2012	2013	2014	2015
Commercial oil shale	million t	15.8	14.8	17.2	17.0	**13.7**
Natural gas	million m³	97.7	61.1	47.3	43.7	**47.1**
Biofuels	million t	0.4	0.5	0.1	0.1	**0.1**
Municipal waste	thousand t	0.0	0.0	183.6	221.4	**244.6**
Cooling water	million m³	1,522.9	1,302.2	1,475.0	1,454.5	**1,365.1**
Pumped mining water	million m³	224.8	203.0	138.2	117.3	**103.6**
Water from open cast mines	million m³	131.8	112.2	61.6	57.0	**49.0**
Water from underground mines	million m³	93.0	90.8	76.5	60.3	**54.7**

Last year the Iru waste-to-energy unit used around 244.6 tonnes of mixed municipal waste which otherwise would mostly have been deposited in landfill sites. In 2015, Eesti Energia used mixed municipal waste at Iru to produce 269.5 GWh of heat and 128.3 GWh of electricity. Use of mixed municipal waste for the production of heat and electricity replaces the use of around 70 million cubic metres of natural gas and substantially reduces the environmental impacts of the deposition of waste.

The Group's Investments Towards Reducing Environmental Impact



More Energy from By-products

Use of energy production by-products, which increases utilisation of the oil shale resource, is among Eesti Energia's development priorities. The oil shale industry generates various by-products such as waste rock (oil shale extraction by-product), burnt oil shale or oil shale ash (electricity and oil production by-product), waste heat, oil shale gas, etc., which can be used as raw materials. Waste rock and crushed rock from waste rock is primarily used in soft traffic roads, forest roads, squares and parking lots. Oil shale ash is a valuable construction material for roads and ports, construction blocks or for neutralising acid soil or afforestation. Today, we generate more residues than we are able to use but our ambitious goal is to reach residue free energy generation. Number of developments to implement this vision are under way.

In 2015, Eesti Energia recycled 2% of the 6.3 million tonnes of oil shale ash generated on energy production and 31% of the 6.6 million tonnes of waste rock generated on oil shale extraction.

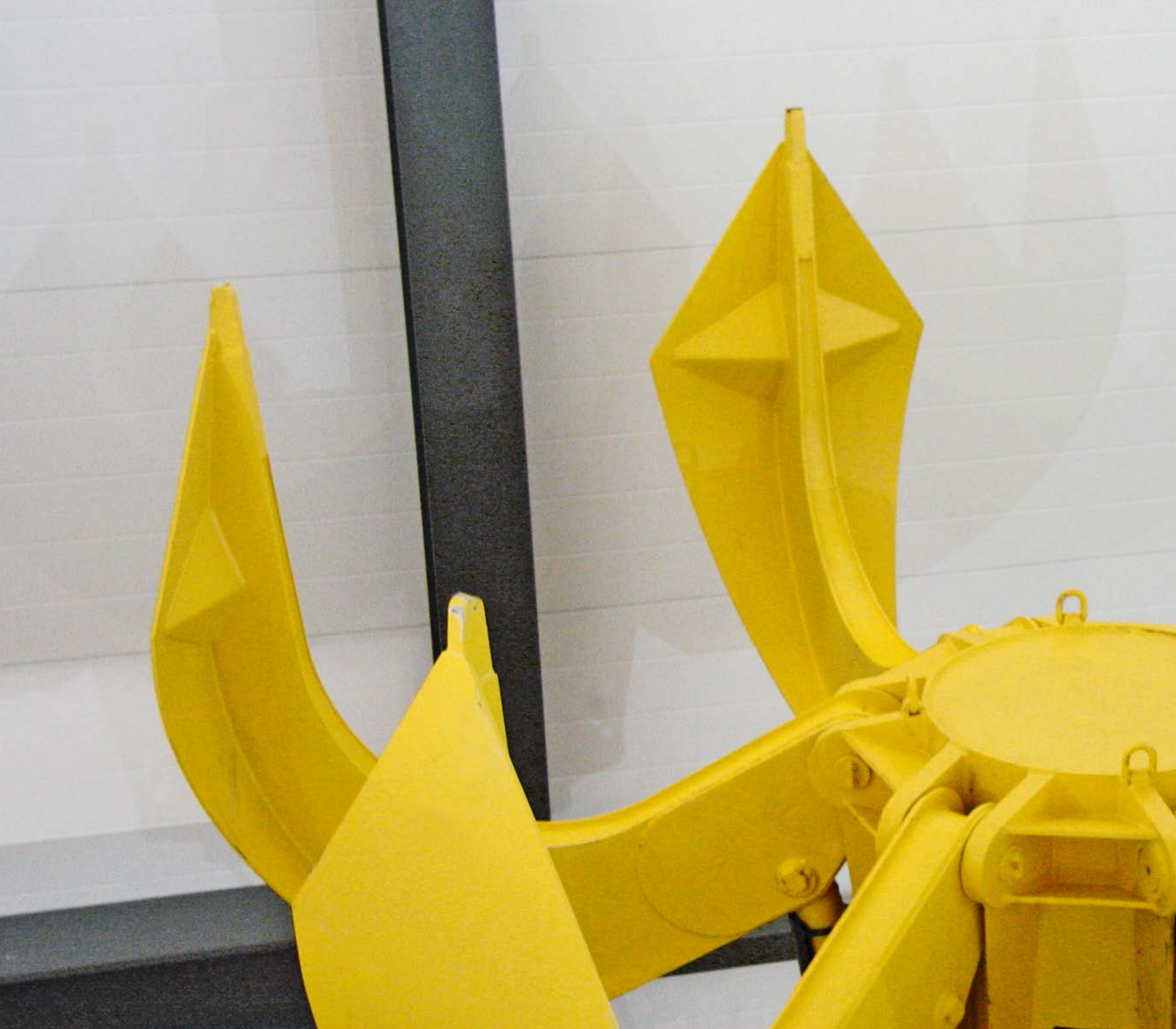
> The state as the owner of Eesti Energia expects the company to add maximum value to oil shale, a resource of national importance, and to lower the environmental impacts of its activities.

Future Trend: More Efficient and Cleaner Production

The state as the owner of Eesti Energia expects the company to add maximum value to oil shale, a resource of national importance, and to lower the environmental impacts of its activities. So far, Eesti Energia has been able to make its operations cleaner and more efficient every year. To meet the owner's expectations also in the future, the Group is planning to further reduce its environmental impacts by maintaining focus on controlling emissions to air, implementing new large- and small-scale smart solutions for increasing production efficiency, and finding new uses for its production by-products and waste.

Iru waste-to-energy plant generates heat and electricity from

mixed municipal waste



Social activities

We understand that being a significant industrial enterprise our activities are impacting the neighbourhood. In our daily operations we take the utmost care towards our employees, customers, nature and other stakeholders of the society. We contribute to the development of society through meaningful support activities such as financial investments and devoting the time and knowledge of our employees.

Our goal is to support projects that involve the broadest possible target group and the impact of which would be sustainable provoking long-term positive changes in the society.

Once a year we conduct a survey to understand how Estonians regard the areas supported by Eesti Energia. The 2015 survey results indicated that more than 95% of Estonian population feels positive about the supporting activities of Eesti Energia.

The feedback was high in all areas supported:

- education and science,
- environment protection,
- recreational sports,
- Ida-Virumaa community.

> We contribute to the development of society through meaningful support activities such as financial investments and devoting the time and knowledge of our employees.

In 2015, Eesti Energia contributed a total of 525,996 euros to areas of support. In 2015 we reviewed and updated the principles of support activities which determine the areas supported and the selection criteria of project supported, describe the support granting procedure and regulate the rules of procedure for sponsorship committees. The management of the Group has established a group-wide sponsorship committee to implement the support activities. Ida-Virumaa sponsorship committee is responsible for supporting the development of Ida-Virumaa community.

The description of support areas and projects supported: https://www.energia.ee/et/toetame-teisi

Promoter of Education and Science

Practical education in engineering, scientific mindset and innovative thinking are crucial for the society and Eesti Energia. Our role is to raise young people's interest in energy sector and increase the knowledge of energy in the society.

As an energy group with the longest history and the most experience in the sector we emphasise the supporting, developing and promoting of energy related education as well as preserving its history.

Eesti Energia launched the youth development program ENTRUM to promote the initiative and entrepreneurial mindset on young people.

Over the last five years youth development program ENTRUM has introduced the world of entrepreneurship to more than 2,700 young people of ages 13–19 years. Young people from different Estonian regions have implemented more than 500 ideas in the fields of social entrepreneurship, technology, engineering, oil shale and energy, eco-economy and creative industries.

Participants assure that with the experience and contacts received from the program they can much better see their role in the country's development and identify themselves with the future in Estonia.

> Our role is to raise young people's interest in energy sector and increase the knowledge of energy in the society.

Remarkable examples of entrepreneurial spirit include InSpe, a labour exchange program launched by young people in Ida-Virumaa region to fight with unemployment, student exchange program VeniVidiVici initiated by the students of Otepää Gymnasium and interactive e-textbook AndroidÕpik developed by young people from Western part of Estonia.

In the leadership of ENTRUM hundreds of partner organisations and outstanding leaders from Estonia have joined the network. Additionally, more than 140 businessmen from different corners of Estonia have contributed to the development of young people as mentors. In 2015 Eesti Energia supported ENTRUM youth program with 250,000 euros.

Eesti Energia not only financed but also contributed actively to the success of the program. The top management and employees of Eesti Energia were actively involved in developing the program concept and volunteered in organizing the program sessions.

Current Results

ENTRUM	Ida-Virumaa region 2010/2011 (1 region)	South Estonia 2011/2012 (5 regions)	West Estonia 2012/2013 (4 regions)	North Estonia 2013/2014 (4 regions)	Virumaa 2014/2015 (2 regions)
PARTICIPANTS	644 students	475 students	580 students	600 students	322 students
IDEAS	Initiated 86, at the finals 26 (30%)	Initiated 98, at the finals 33 (34%)	Initiated 161, at the finals 42 (26%)	Initiated 171, at the finals 56 (32%)	Initiated 135, at the finals 30 (22%)
WINNER	Youth job market InSpe	Estonian student exchange program VeniVidiVici	Electronic studybook AndroidÕpik	Nätrum, producer of organic chewing gum	Viru Ilu, producer of organic cosmetics from blue clay of Aseri

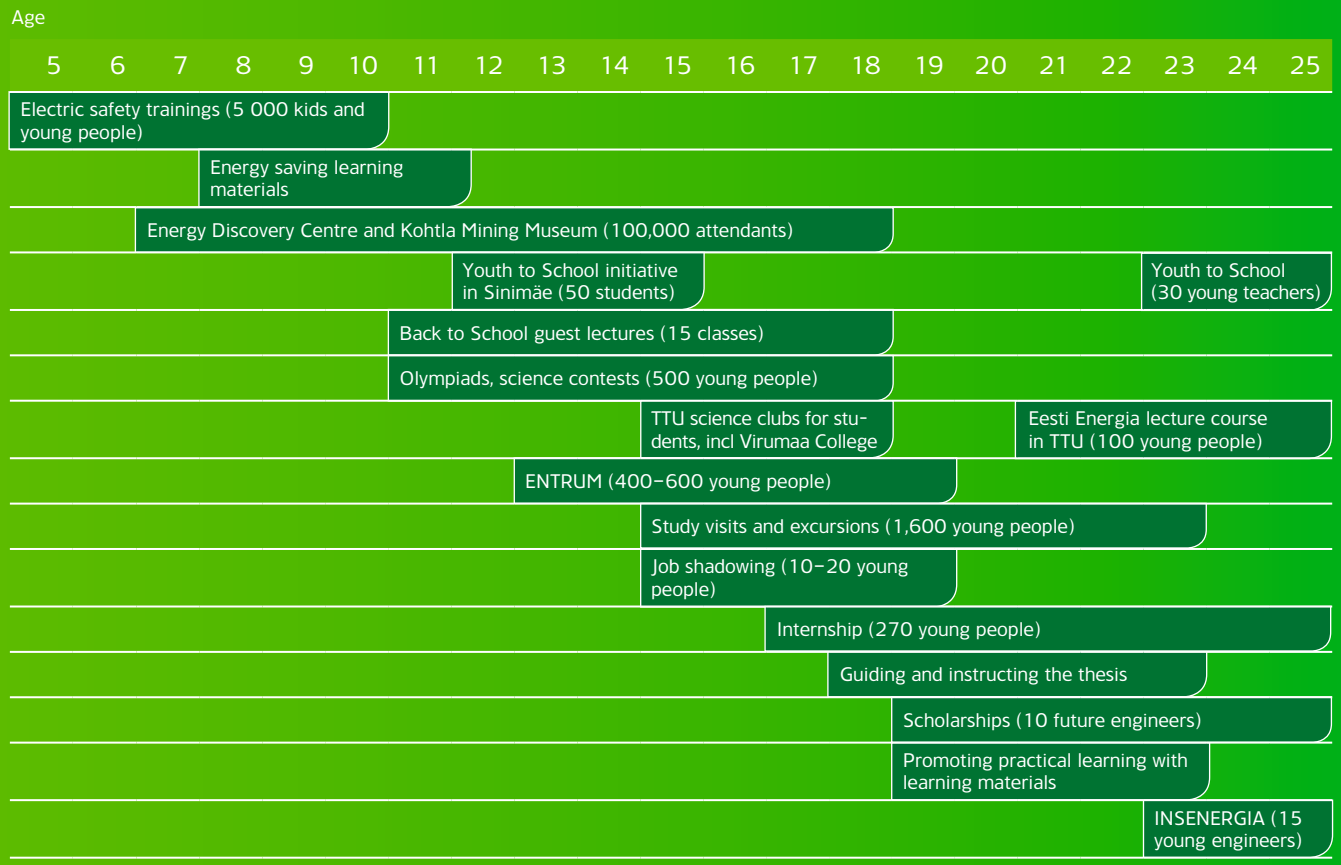
Year 2015 when ENTRUM returned to Ida-Virumaa region was also the last year for ENTRUM program. All knowledge and contacts were handed over to government institutions and private entities in order to ensure the continuation of the program. The feedback received gives us hope that ENTRUM program will be developed further in coming years.

To secure sufficient availability of future staff we strive to raise young people's interest in seeking career possibilities in energy sector, create cooperation opportunities for energy students and develop energy education in partnership with educational institutions. We have partnered with Tallinn Technical University (TTU) to introduce energy and environment related subjects by lecturing on popular science in schools across Estonia. Approximately 500 students improved their knowledge on energy sector and gathered ideas for career planning.

We agreed with TTU that the Innovation and Business Centre of TTU submits grant applications for promoting and diversifying the specialty by all faculties, research entities and student organisations twice a year. In 2015, we supported projects improving energy education in the amount of 20,000 euros.

We help the schools with technology and science education by inviting students to study visits to our production facilities. Over the year about we hosted about 1,600 students.

Future Employee Projects Initiated or Sponsored by Eesti Energia by Age



We subsidise the students' interest in sciences through granting special prizes in Olympiads and competitions. We supported the national physics competition, student science research contest and national technology camp for students of elementary school during the school break.

In 2015 we hosted 319 inters of whom 215 were doing their internship in our entities in Ida-Virumaa region and 68 in Tallinn.

We Care About Environment

Eesti Energia is an energy company and therefore, due to our operations, we interact with nature every day requiring a lot of dedication, responsibility and knowledge. Our priority is to preserve the environment. We use natural resources responsibly, reduce the environment impact of our operations and promote concern for environment as a way of thinking.

Environment Day seminar held by Eesti Energia once a year involves important stakeholders to discuss about environment protection. Environment Day seminar held in 2015 focused on achievements in reducing air pollution in oil shale industry. From 1 January 2016 new requirements of European Union integrated pollution directive were fully enforced in Estonia. The new rules set lower air pollution limits to large combustion plants. Eesti Energia has already implemented all measures and is in compliance with such rules. The participants of the event included public servants from local municipalities and ministries, environmental specialists and other representatives of oil shale industry.

2015 was the fifth year for Eesti Energia and Looduse Omnibuss (Nature Bus) to team up in organising popular nature educational events. Looduse Omnibuss has turned into a movement valuing Estonian nature and culture. Last year close to 140 trips and 30 evening events took place to explore nature. The fifteenth largest Estonian nature photo contest "Nature Year Photo" led by Looduse Omnibuss took place in spring 2015. More than 1,200 photographers with some 9,000 photos participated in this event.

We carried out intragroup design contest to find sustainable and both financially and commercially feasible solution for waste rock, a by-product from oil shale mining. We received more than 50 ideas which considered the development of local community and environment friendliness. During the development phase our employees consulted with experts from different areas including the geology experts from Tartu University, tourism experts and environment specialists. Development department continues with investigating the feasibility of the best idea.

We Value Healthy Lifestyle

We create sporting opportunities and encourage people to be physically active every day. We are confident that by promoting healthy lifestyle the people and the whole society will have a more prosperous future.

Eesti Energia, Swedbank and Merko Ehitus teamed up to advance Estonian health trails. With the joint effort more than 100 health trails nationwide have been fixed and lighted over the last ten years. The role of the Estonian health trails project is to make healthy regular physical activity in fresh air accessible to everyone anytime and anywhere in Estonia. The website of Estonian Health Trails organisation includes more than 40 instructive videos with useful training tips both to beginners and experienced recreational sportsmen in different fields of sport.

The employees of Eesti Energia are also engaged in the expansion of health trails. The collective action on health trails has become annual tradition. The employees of Eesti Energia and about 200 volunteers from Narva are attending the upkeeping of Narva Pähklimäe health trail to maintain the trails and set up new facilities for outdoor activities.

> We are confident that by promoting healthy lifestyle the people and the whole society will have a more prosperous future.

Each year many of our own employees take part of Narva Energy Run, a largest recreational sports event in Ida-Virumaa region that was initiated and is still run by us. In 2015 more than 460 of our employees and their partners took part of the event.

We encouraged our employees working in the headquarters to take stairs instead of elevators and spend more time on health trails a month before Narva Energy Run. All stairs and kilometres were marked to posters to find the winning team (each floor representing a separate team). During the month more than 300 people took part of the initiative covering close to 13,000 kilometres. The initiative involved also other companies in the building. Three sports clubs sponsored by the company help to promote the employee health and organize numerous tournaments and sporting activities.

Partner to Ida-Virumaa Community

Our essential attention goes to Ida-Virumaa region, a home for the majority of our employees and the centre of Estonian oil shale energy. By contributing to the improvement of living environment we aim to preserve the significant local traditions, have a number of events to be proud of and provide diverse educational possibilities for young people.

In spring 2015 we opened an old oil shale enrichment factory in Kohtla Mining Museum, a recently opened unique oil shale theme park in all Europe.

The oil shale enrichment factory that employed around hundred people in the 1930s is now home for interesting displays introducing mining, production of electricity and liquid fuels through experience and game. The exhibition covers the past, present and future of oil shale industry. Eesti Energia has donated number of machinery and equipment used in oil shale industry. Kohtla Mining Museum's landbased exposition is a good example of reutilizing industrial heritage. In addition to introducing the industry's history and modern technologies the museum is also part of developing local community. The landbased exposition is used by local governments to organize different events. The last Miners' Day took also place in Kohtla Mining Museum, which is a unique attraction and tourism object in Estonia.

In 2014, Eesti Energia initiated Energy Day, a community-wide family event. In 2015 we continued with this tradition. An event offering versatile entertainment program in Narva was attended by some 4,000 people. The program included entrainment for the smallest, local handicraft and a concert.

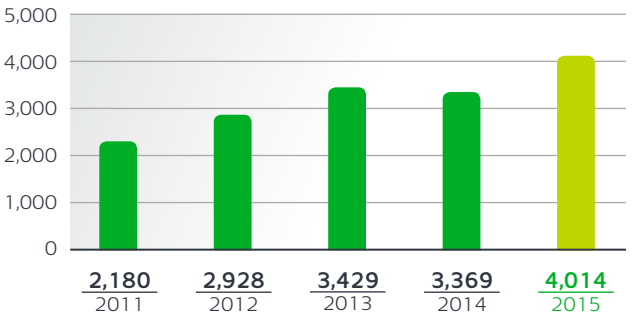
The Miners' Day, one of the longest traditions in Ida-Virumaa region, was in 2015 organised in Kohtla Mining Park. The event is devoted to miners and their families but all other people are also very much welcome. On this event with about 5,000 participants the best miners were recognised and acknowledged.

In 2015, we supported 29 students between ages 7 and 18 through Ida-Virumaa Talented Youth Energy Fund. The role of Energy Fund, co-established with the Association of Local Authorities of Ida-Viru County, is to stimulate the development of recreational activities of ambitious young people. In 2015, the Energy Fund amounted to 9,000 euros of which Eesti Energia contributed 5,000 euros and the Association of Local Authorities of Ida-Viru County 4,000 euros. Majority of scholarships were granted to young people engaged in science or sports but we also supported improvement in music, culture and arts. The fund has awarded scholarships to 93 young people since it was established in 2013.

Our role in the "Young People to School" program is to promote the engineering career in the region. Therefore, in 2014, we invited a young and enthusiastic mathematics, chemistry and physics teacher to Sinimäe School in Vaivara municipality to raise students' interest in engineering already in secondary school. We grant the teacher extra scholarship of 6,080 euros to compensate moving, living, language learning and transport related expenses.

Eesti Energia initiated recreational sports tradition in Ida-Virumaa region to value the good feeling and health of the people living in the region. In 2015, more than 4,000 sports fans of different ages attended the fifth Narva Energy Run. As a charitable contribution to promote Narva Energy Run we improved the exercising campus on Pähklimäe health trails to provide the locals year-round access to working out in fresh air. The ultimate goal of the event is to inspire people in getting involved with recreational sports but also increase the position of Ida-Virumaa region in Estonian cultural and sports scenery.

Results of Narva Energy Run



In co-operation with local municipality we are creating possibilities to spend holidays and organise top water sports events on former territory of Aidu opencast mine that was closed in 2012. A 2.5 km long rowing channel meeting international requirements will be completed in 2017. The rowing channel filled with natural water and the trenches of the mine are already now offering powerful and inspiring views and amazing sporting possibilities. In 2015, watersports event Aidu Cup took place again in Aidu as well as the water tour with more than 600 participants. In 2015, Aidu international competition site welcomed more than 850 watersports fans and 1,000 visitors.

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