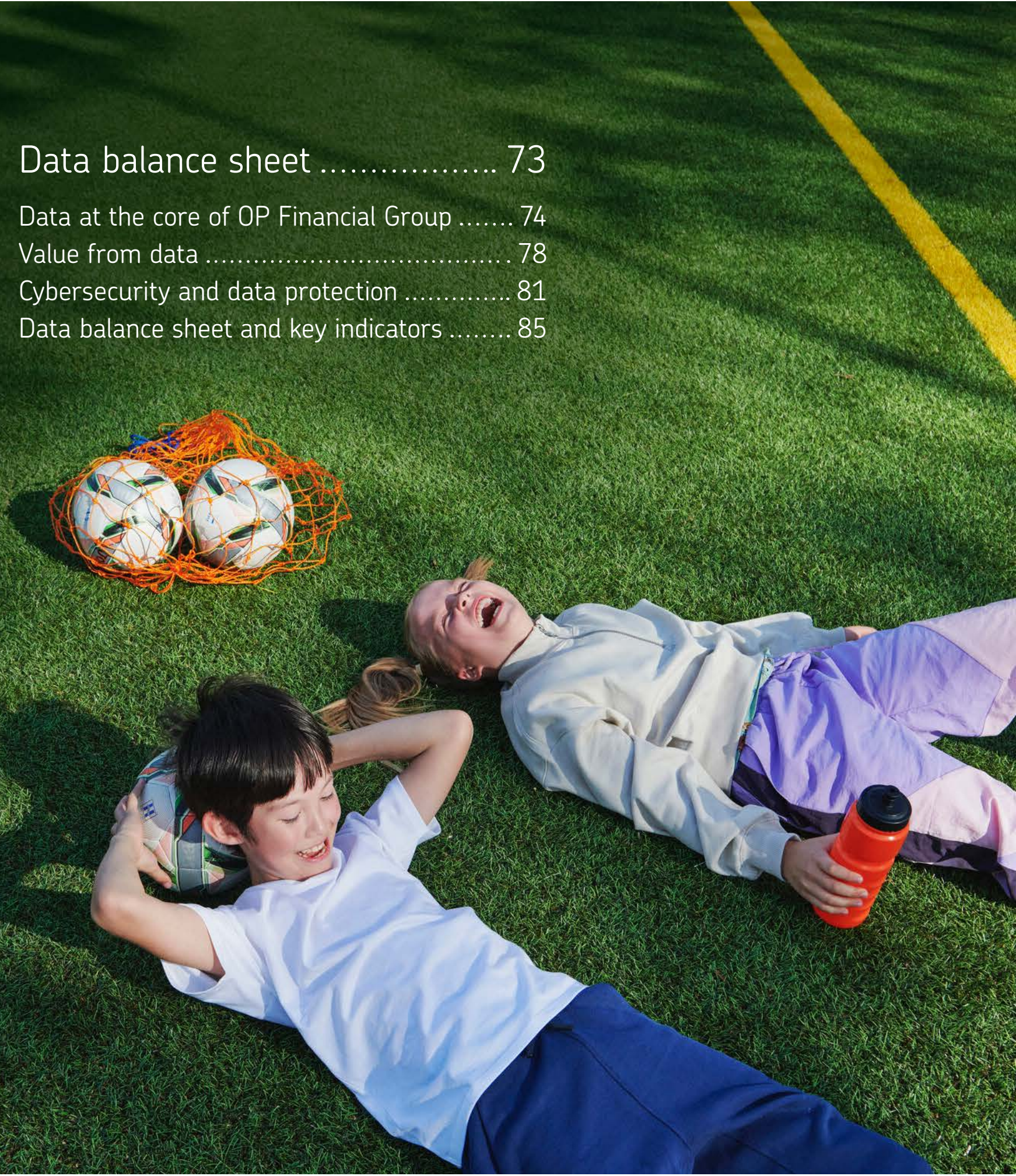


OP Financial Group's Year 2023 and Sustainability



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Review by the
President and
Group Chief
Executive Officer



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segments



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OP Financial
Group's
sustainability
programme



OP Financial Group's Year 2023 and Sustainability review describes how the Group executed its mission and strategy in 2023. It summarises key facts about the businesses, strategy and corporate responsibility efforts of OP Financial Group. The review includes sustainability reporting compliant with the GRI Standards and OP Financial Group's Data Balance Sheet. This review forms part of OP Financial Group's annual reporting, which also includes the Financial Statements, Reports by the Boards of Directors and Corporate Governance Statements of the Group, OP Corporate Bank Plc and OP Mortgage Bank and OP Financial Group's Risk Management Report, and the Remuneration Report and Remuneration Policy for Governing Bodies. The reports are available at vuosi.op.fi/en/2023.

OP Financial Group's reports 2023 → [Report by the Board of Directors and Financial Statements](#) → [Risk Management Report](#) → [Corporate Governance Statement](#) → [Remuneration Report for Governing Bodies](#) → [Remuneration Policy for Governing Bodies](#)



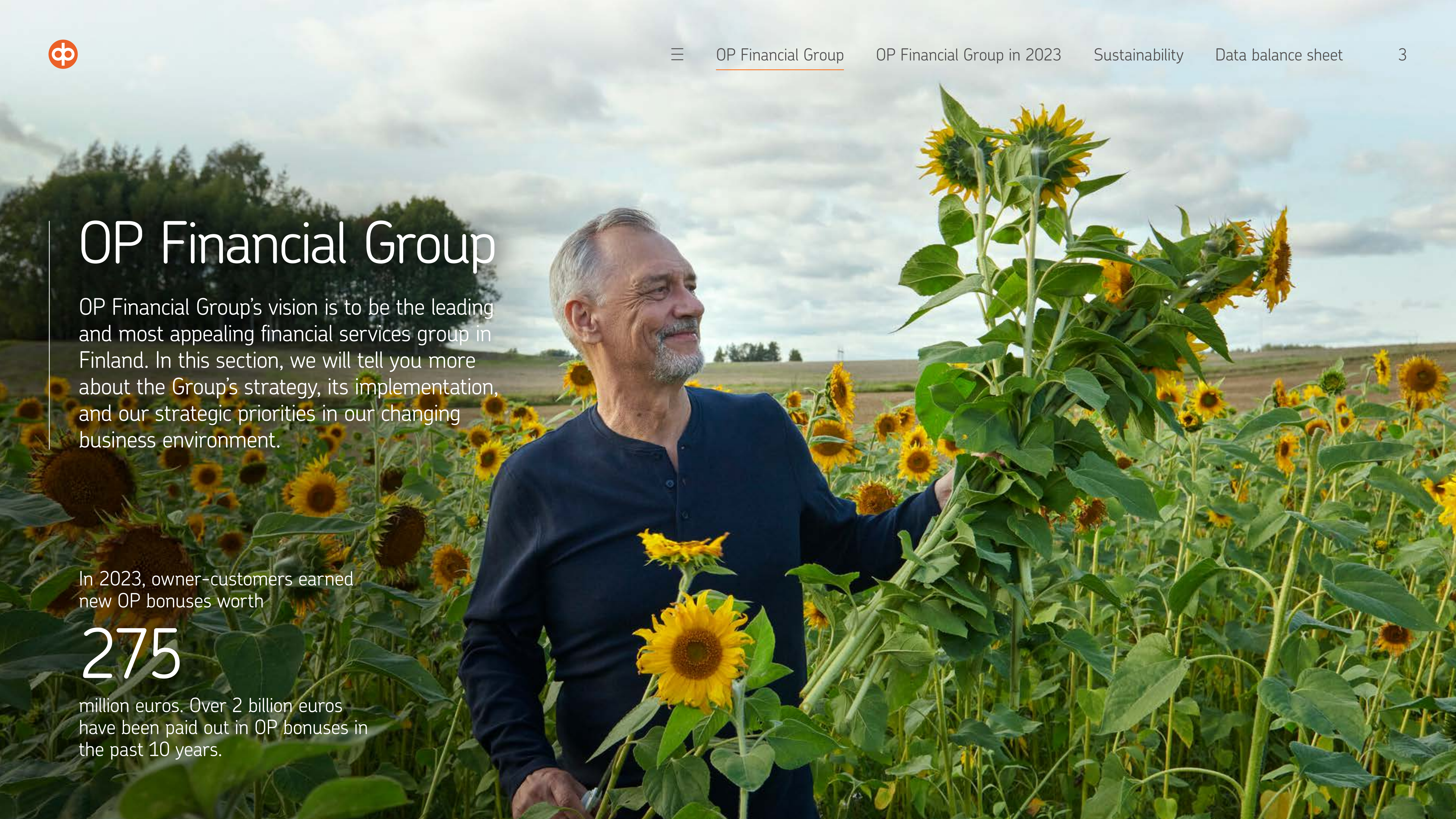
OP Financial Group

OP Financial Group's vision is to be the leading and most appealing financial services group in Finland. In this section, we will tell you more about the Group's strategy, its implementation, and our strategic priorities in our changing business environment.

In 2023, owner-customers earned new OP bonuses worth

275

million euros. Over 2 billion euros have been paid out in OP bonuses in the past 10 years.





OP Financial Group in brief

OP Financial Group, which is owned by its customers, is Finland's largest financial services group. Its mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region.



2.1 million owner-customers

102 OP cooperative banks

Central cooperative

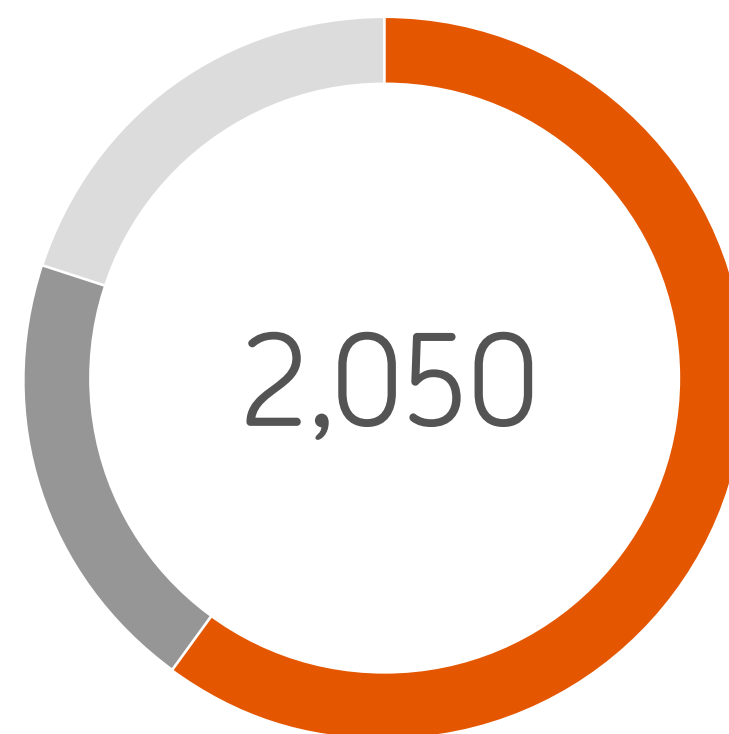
Retail Banking

Corporate Banking

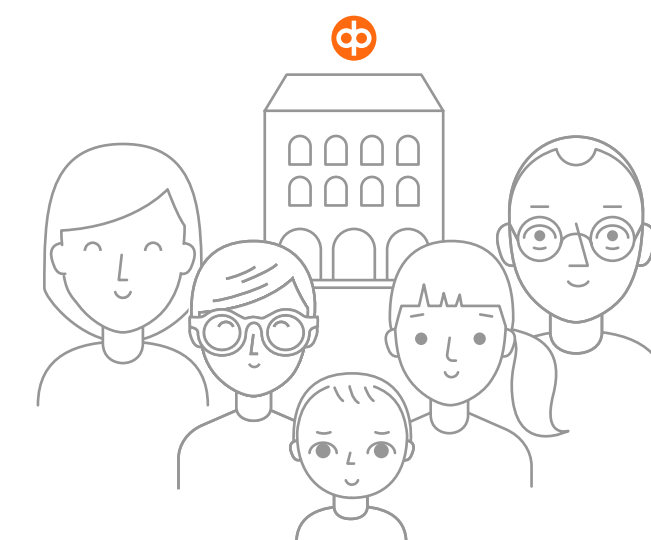
Insurance

Over 13,000
OP Financial Group employees

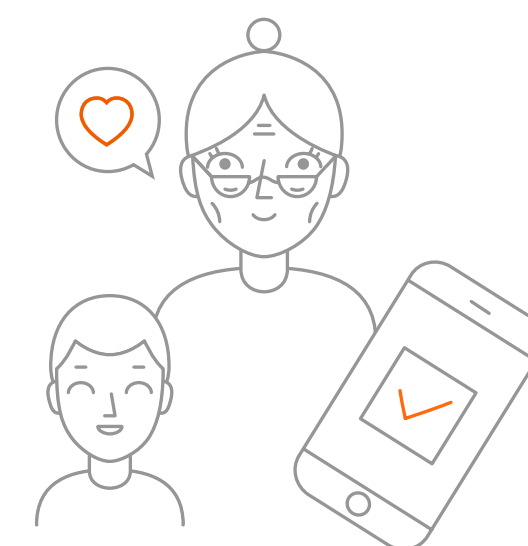
Operating profit, € million



- Retail Banking
- Corporate Banking
- Insurance



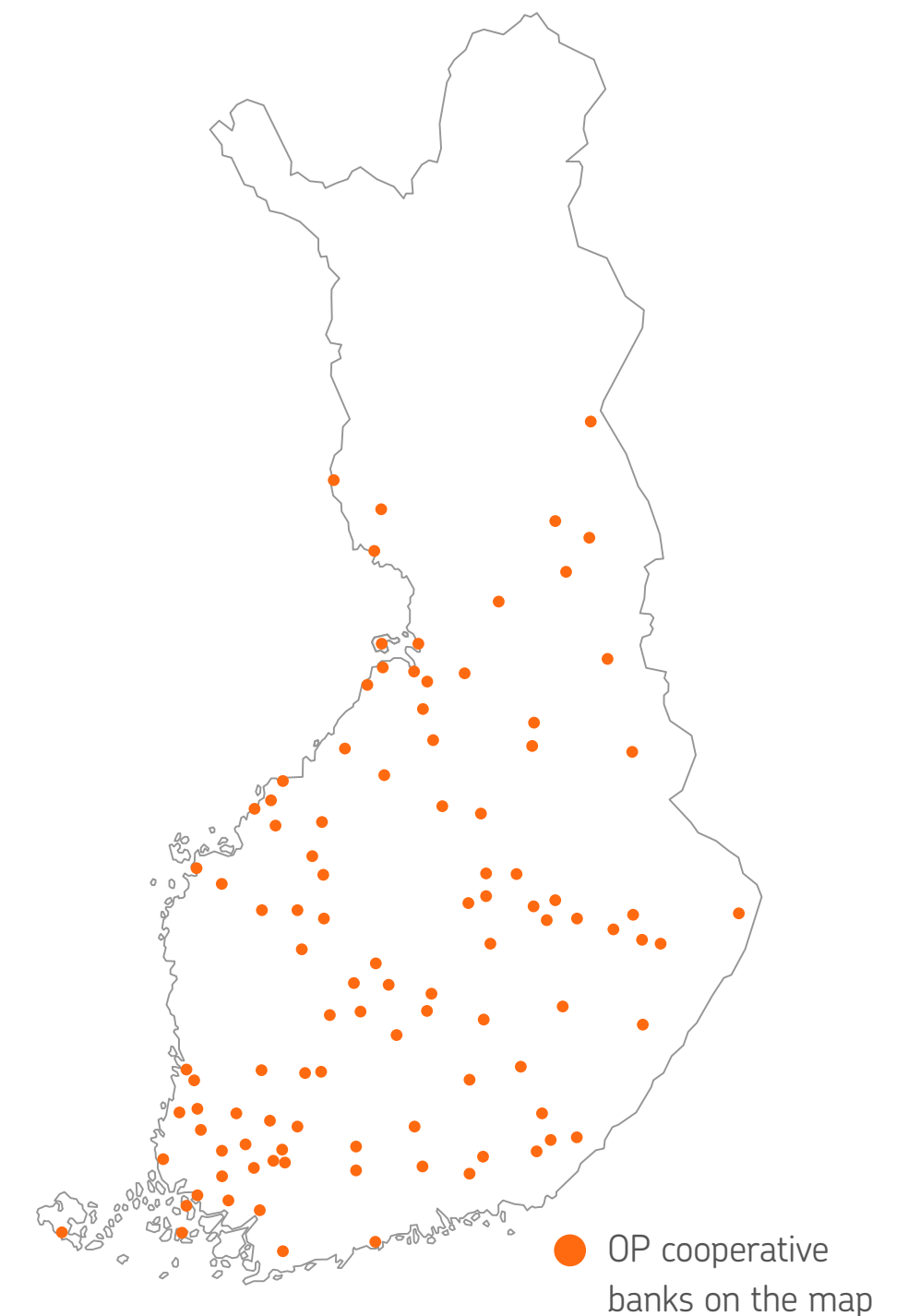
OP Financial Group's vision is to be the leading and most appealing financial services group in Finland.



More than

1.6

million active users on OP Financial Group's mobile channels





Review by the President and Group Chief Executive Officer

Even in uncertain times, OP Financial Group promotes the sustainable prosperity, security and wellbeing of its owner-customers and operating region. As a financial services group owned by our customers, we use our financial success to strengthen our capital base and enable even better benefits for our owner-customers. In the future, we will further strengthen our role in coaching our customers in making better financial choices, pointing them towards futures filled with hope.

Finnish economy entered a recession

The Finnish economy was affected by exceptional uncertainty and instability in 2023. A mild recession began late in the year and unemployment rose slightly. Inflation slowed down but remained clearly higher than in the preceding years. Despite lowering at the year end, market rates remained considerably higher than previously familiar levels, due to the European Central Bank's continuation of its tight monetary policy.

On the housing market, home sale volumes and demand for home loans were clearly lower than a year earlier. In addition, home prices continued their downward trend. The year-end fall in market

rates boosted the stock markets, raising share prices on several stock exchanges. However, Nasdaq Helsinki's stock indices ended 2023 in negative territory for the year as a whole.

Geopolitical risks were high throughout the year, intensifying in late 2023 as a result of the Middle East crisis in particular.

Strong performance enables better benefits for owner-customers

Despite the challenging business environment, OP Financial Group's business operations developed extremely well in 2023, leading to an operating profit of 2,050 million euros.

OP Financial Group is one of the most financially solid large banks in Europe. Furthermore, our liquidity remained excellent. Strong capital adequacy, excellent liquidity and broad trust among customers and other stakeholders are vital both for banks and insurance companies. OP Financial Group is in great shape in all these respects.

Our strong performance will enable us to provide our almost 2.1 million owner-customers with better benefits in 2024, playing our part to ease the strain on households in these economically challenging times. We will pay 40% extra on OP bonuses earned in 2024 and will not charge our owner-customers any monthly fees for daily services throughout the year. The total value of higher benefits on OP bonuses and daily services will rise to around 400 million euros. Being customer-owned, OP Financial Group will continue sharing its financial success through a range of financial and other benefits for its owner-customers.

Strong capital adequacy, excellent liquidity and broad trust among customers and other stakeholders are vital both for banks and insurance companies.

We want to help people in Finland to prosper financially

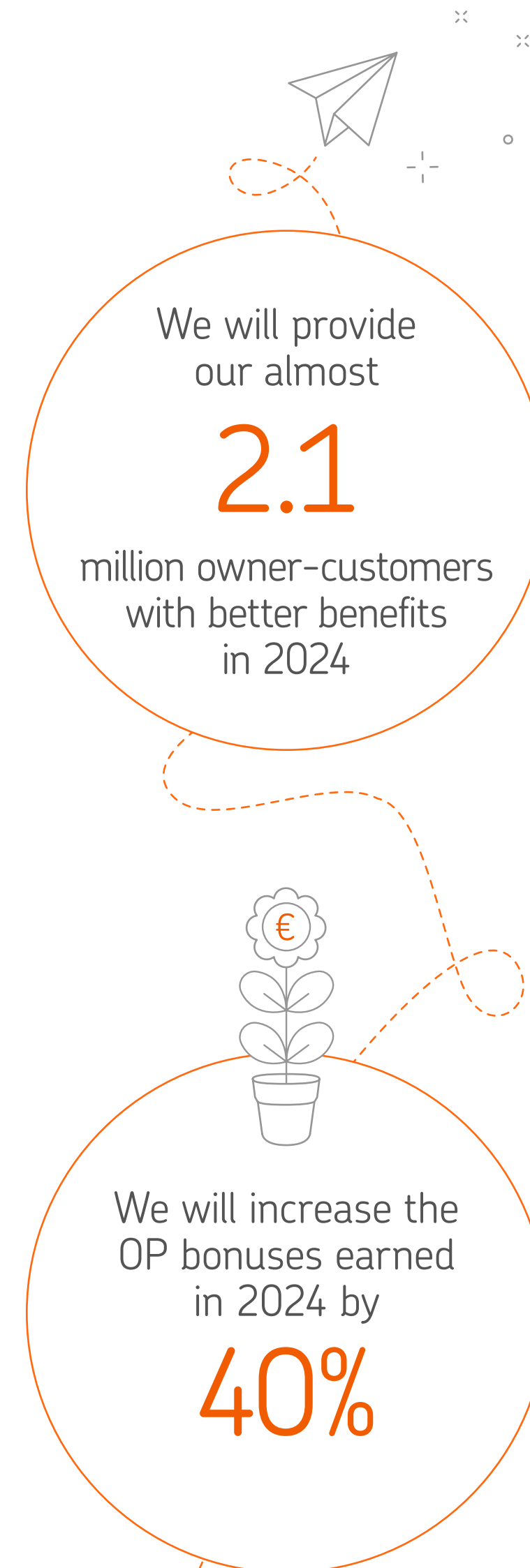
We aim to coach our customers in making better financial choices and have worked on easing their personal financial management in multiple ways, while enabling and supporting long-term saving and investing. Asset and wealth management is one of our growth focus areas: we aim to make a clear growth leap in this business activity in the coming years.

Preparation for the future featured prominently in customer behaviour throughout 2023. Demand for savings and investment products continued to grow briskly. Our customers' desire to prepare for possible risks could also be seen in growing demand for insurance products.

We develop responsibly

We continued with ICT investments in 2023, primarily to improve the customer experience and ensure data security and service continuity in all circumstances. AI will play a growing role in our ICT development, enabling us to provide customers with even better services. Accordingly, we are investing heavily in information security and data protection through extensive training of personnel and high-level technology solutions. Responsible data use is a core aspect of our work.

Responsibility is an integral part of our strategy. In August, we published credit portfolio emissions reduction targets for three of our customer sectors: energy production, agriculture and housing. These sectors account for more than 90% of emissions related to OP Financial



Group's credit portfolio. We set such targets in order to promote the green transition, by encouraging our customers to move towards carbon neutrality.

Together through time – also during the current recession

OP Financial Group is in good shape, and we are ready to support customers during the mild recession now underway. My warm thanks to all our customers for the trust they showed in OP Financial Group in 2023. We want to continue being worthy of your trust in the year that has just begun. I would also like to thank our employees and governing bodies for their excellent work in 2023.

Timo Ritakallio
President and Group CEO

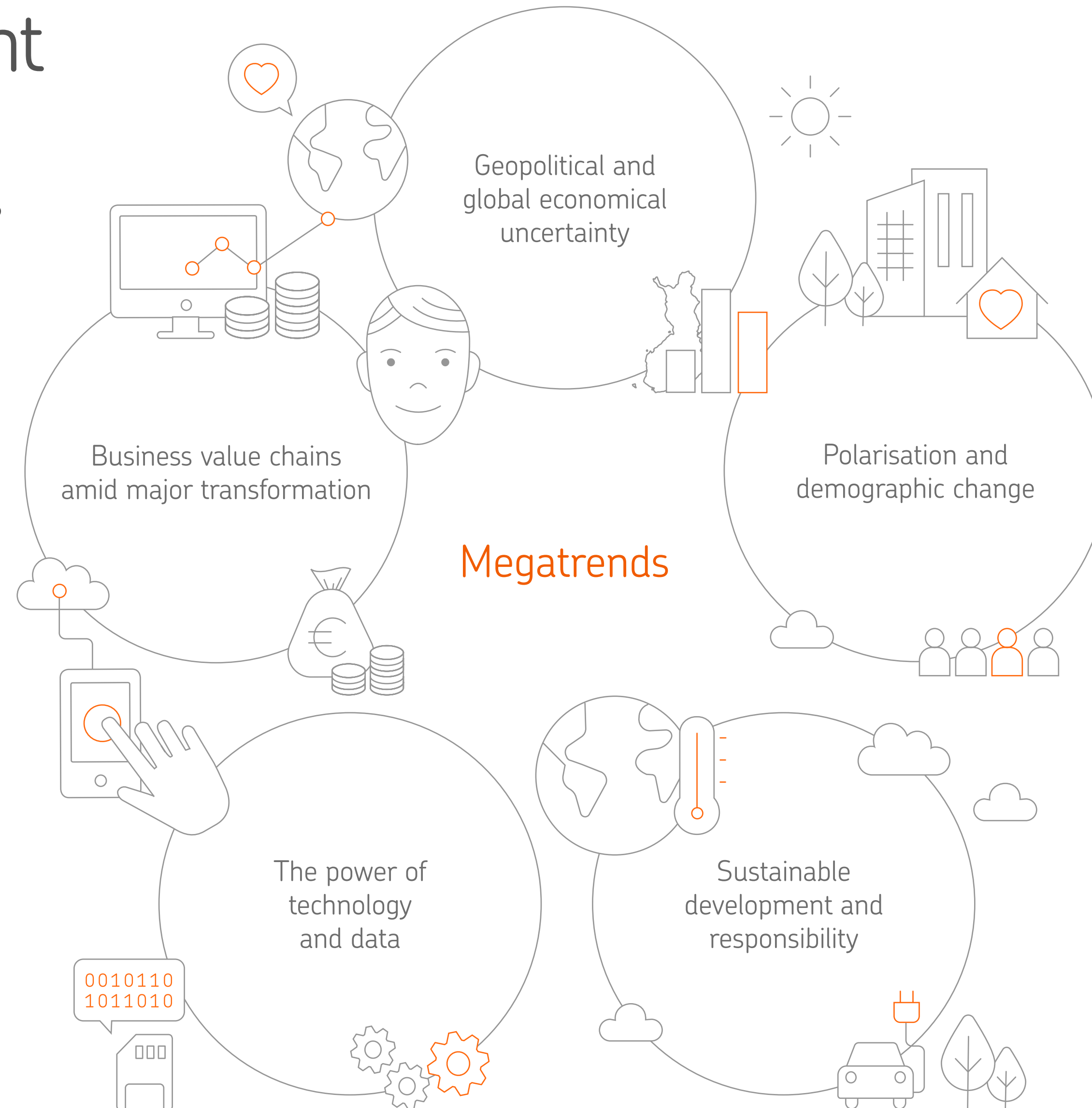
The estimated value of additional bonuses is 86 million euros

Business environment

OP Financial Group analyses the financial sector's business environment as part of its ongoing strategy process.

A successful strategy process is based on assumptions about the direction in which the world is moving. The megatrends underlying our strategy reflect our outlook on the phenomena and change drivers that will affect the daily lives, circumstances and future of OP Financial Group and its customers.

Economies, capital and people are intrinsically interconnected in our globalised world. Our business environment is characterised by geopolitical and global economic uncertainty. Polarisation and demographic changes are widely transforming the structures of our society. The ultimate goal of sustainable development is to ensure that present and future generations can live a good life. Technological progress is enabling greater efficiency and providing new ways of creating services that better match customer needs. Digitalisation and the platform economy are reshaping the value chains of business.



Year 2023

- Russia's aggressive war in Ukraine is increasing geopolitical tensions and multipolarity
- Finland's membership in NATO improves the confidence of businesses and increases the attractiveness of the Finnish job market for international professionals
- The energy crisis in Europe, high inflation and the sharp rise in market rates put a strain on societies and consumers
- AI-based digital services available to consumers are becoming more common and versatile
- Demographic change is continuing, and polarisation of societies is increasing
- Sustainable development and efforts promoting climate goals and biodiversity are also affecting economic activity
- Corporate responsibility requirements are growing: regulation is increasing, and customers are setting higher expectations towards businesses

Strategy

Our mission, values, vision and strategic priorities form a cohesive whole.

Our mission and values guide our operations and choices and give a meaning to our work. Our vision – to be the leading and most appealing financial services group in Finland – shows us the direction. To achieve our vision, we continuously monitor our business environment and focus on our strategic priorities.

OP Financial Group’s mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region. Our values – people first, responsibility, and succeeding together – guide everything we do.

Our vision describes the qualities we need to be a successful player, regardless of the changes occurring in the world. We must have a strong market position and finances, be the number-one choice for our customers and partners, and be a pioneer and innovator in the financial sector, an attractive employer and a responsible player.

We have set five strategic priorities for the next few years: value for customers; profitable growth; efficient, high-quality operations; responsible business; and highly skilled, motivated and satisfied personnel. Our strong culture of risk management and compliance forms the basis of everything we do.





Strategic priorities

> Value for customers

We create value for our customers by providing unbeatably smooth services through all our channels. Customer behaviour is changing, and customers are increasingly moving to digital channels. We introduce new services on our mobile channels first, and OP-mobile has long been our customers' most used channel.



OP Financial Group's success creates value for owner-customers. We will allocate part of our 2023 profitability improvement to supporting the daily lives of our almost 2.1 million owner-customers by paying 30% extra on OP bonuses accumulated in 2023. We will not debit monthly charges for daily services from our owner-customers between October 2023 and March 2024. We will also pay 40% extra on OP bonuses accumulated in 2024.

> Profitable growth

We help people to build their wealth and prepare for the future. We aim to grow, particularly in asset and wealth management, and in the fields of non-life and life insurance. We will increase the range of services for saving and investment we provide to a growing number of customers interested in investing. Despite the market fluctuations in 2023, Finnish households continued to save and invest systematically.



> Efficient high-quality operations



Due to increasing regulatory requirements, we must continuously improve the quality and efficiency of our operations by upgrading our work methods and technology. Through these improvements, we will maintain our profitability and capital base.

We tap into one of Finland's largest sources of data capital in order to better understand and serve our customers. Artificial intelligence, robotics and automation further enhance the efficiency and quality of our customer service. High-quality data and its use also enable us to develop new banking and insurance services. Read more on page [74](#).

We are developing our service network and Group structure so that OP cooperative banks can best fulfil OP Financial Group's mission and strategy in their regions in the long term. Merger projects are underway between OP cooperative banks around Finland. There were 102 OP cooperative banks (108) at the end of 2023.

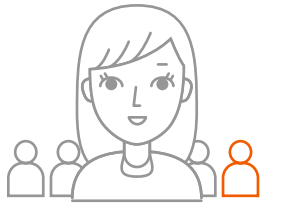
> Responsible business



The increased requirements of customers and other stakeholders and regulators and supervisors regarding corporate responsibility impact the entire financial sector. We aim to engage in customer-driven responsibility activities and provide financing, insurance and investment services, and develop our services and products to help our stakeholders make the sustainability transition. We aim to offer sustainable financing and investment products to our customers and markedly decrease emissions across our loan and

investment portfolios. Read more about OP Financial Group's sustainability programme on page [20](#).

> Highly skilled, motivated and satisfied personnel



We will improve our operations and employee experience by further strengthening our way of working based on self-managed teams. An agile culture requires management based on clear objectives, smooth cooperation across organisations, trust, responsibility and a determined attitude towards learning together.

We will help our personnel to develop their competencies while focusing our expertise on changing business needs. Customers' needs and business goals guide our work. In the 2023 personnel surveys, our employee wellbeing and satisfaction were at a good level.

> Strong culture of risk management and compliance

A strong culture of risk management and compliance are an integral part of operations throughout OP Financial Group. Effective risk management is based on identifying customer needs, meeting their expectations, and pricing and managing their risks. The aim of compliance is to ensure the trust of customers, markets, supervisory authorities and stakeholders. We ensure regulatory compliance by providing instructions and training and supporting our personnel in compliance risk management and in identifying the right procedures.

How we create value

We create value for our customers, stakeholders and operating region on many levels.

In accordance with our mission, we promote the sustainable prosperity, security and well-being of our owner-customers and operating region, together through time.

We provide competitive products and services, while ensuring our profitability and capital base. We provide fundamentally important basic services and opportunities for citizens, companies and organisations. We finance sustainable growth and enable wealth creation.

We ensure smooth cash and payment services, prevent and provide protection against losses, and promote a responsible economy.

Everything we do is aimed at adding value for our stakeholders. Our key outputs form the basis of wellbeing and competencies for our personnel and an excellent customer experience, strengthen our capital base and reputation, and foster a sustainable economy and regional vitality.

Our most important assets



Highly skilled, motivated and satisfied personnel (13,806)



Systems and services supporting customer experience – responsible and innovative development



Responsible and smart use of data – high-quality information capital



Partner with a strong capital base – economic capital



Close partner for stakeholders – values, trust and reputation

Strategic priorities



Strong culture of risk management and compliance

Outputs and impacts



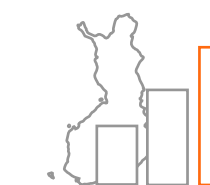
- The most attractive employer in the financial sector (Universum 2023)
- Employee training: 15 hours/person
- Diversity: proportion of women in executive positions 34% (GRI 405-1)
- Employee turnover: 6.7%



- Brand recommendations, bNPS (Brand Net Promoter Score, personal and corporate customers):
Banking: 1 (target 1)*
Insurance: 3 (target 1)*
- Development expenditure: €356 million
- 669 million customer contacts on OP-mobile and OP Business mobile



- CET1 ratio: 19.2%
- Return on equity (excluding OP bonuses): 12.0%
- Interest paid on owner-customers' Profit Shares: €148 million
- One of the biggest taxpayers in Finland: income tax €408 million



- More than 2.1 million owner-customers
- New OP bonuses accrued to owner-customers: €275 million
- Thriving local communities: regional impacts
- Promoting sustainable economy: sustainability-linked loans, green loans and credit limits granted €6.6 billion



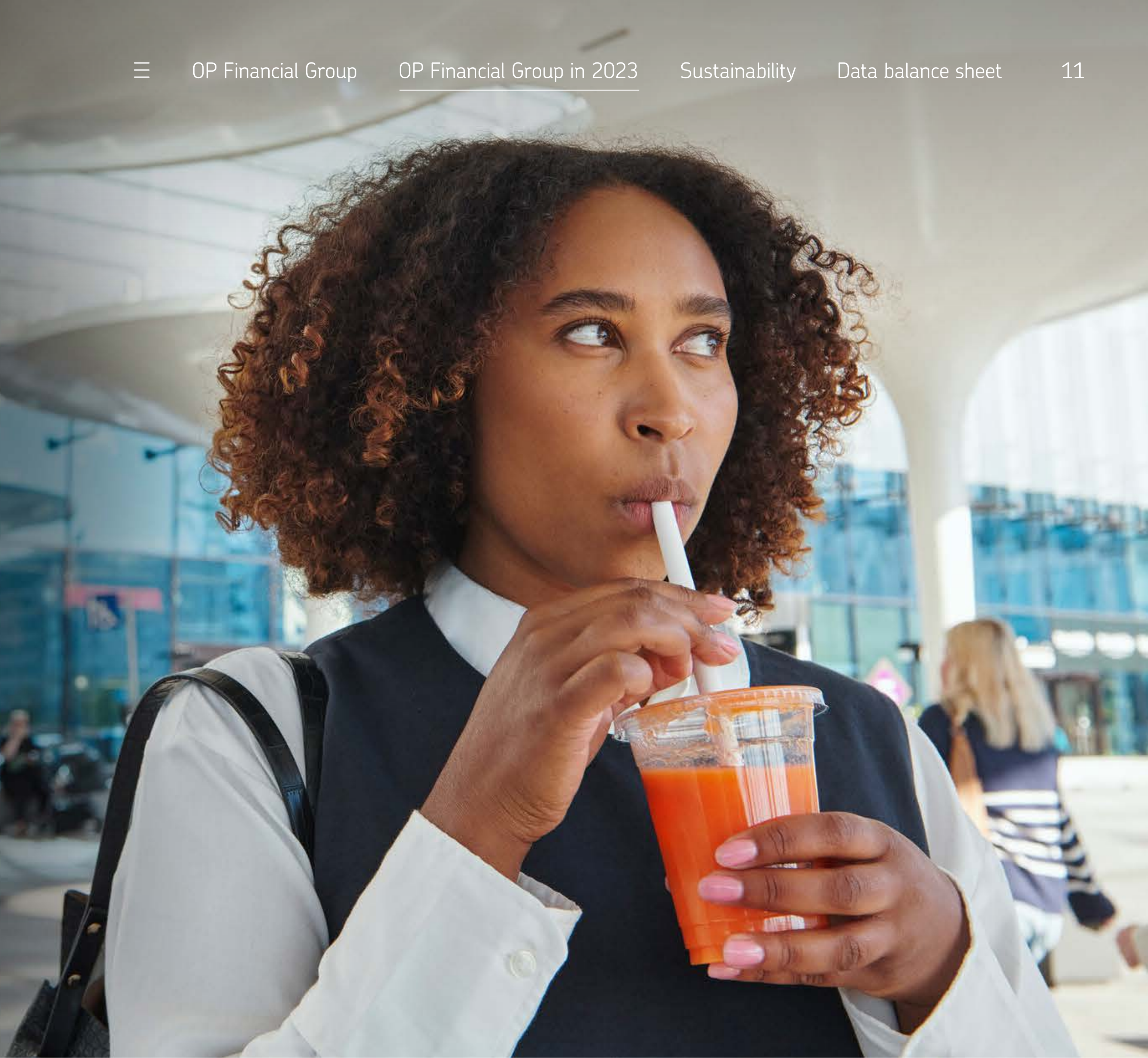
OP Financial Group in 2023

This section describes the year 2023 at OP Financial Group. It summarises highlights and key figures and ratios, and provides more detailed information on the Group's businesses.

At the end of the year,
OP Financial Group had

13,806

employees representing 41
different nationalities and 26
mother tongues.



Key figures and ratios 2023



In 2023, the Finnish economy was characterised by exceptional uncertainty and instability. Despite the challenges in the business environment, OP Financial Group's operating profit developed extremely well. Due to our good earnings performance, we will continue offering additional benefits to our owner-customers in 2024.

OP Financial Group has applied IFRS 17 Insurance Contracts as of 1 January 2023. The figures in the income statement and balance sheet for 2022 have been adjusted retrospectively. The preceding years' figures (2019, 2020 and 2021) have not been adjusted.

Customers

2.1

million owner-customers

275

new OP bonuses accrued to owner-customers, € million

56

million logins to OP's mobile channels, monthly average

5.7

million logins to the op.fi service, monthly average

We taught digital skills to almost

26,000

older people



Performance

-1.4%

Change in loan portfolio

-4.6%

Change in deposit portfolio

0.26%

Ratio of impairment loss on receivables to loan and guarantee portfolio

+77%

Net interest income

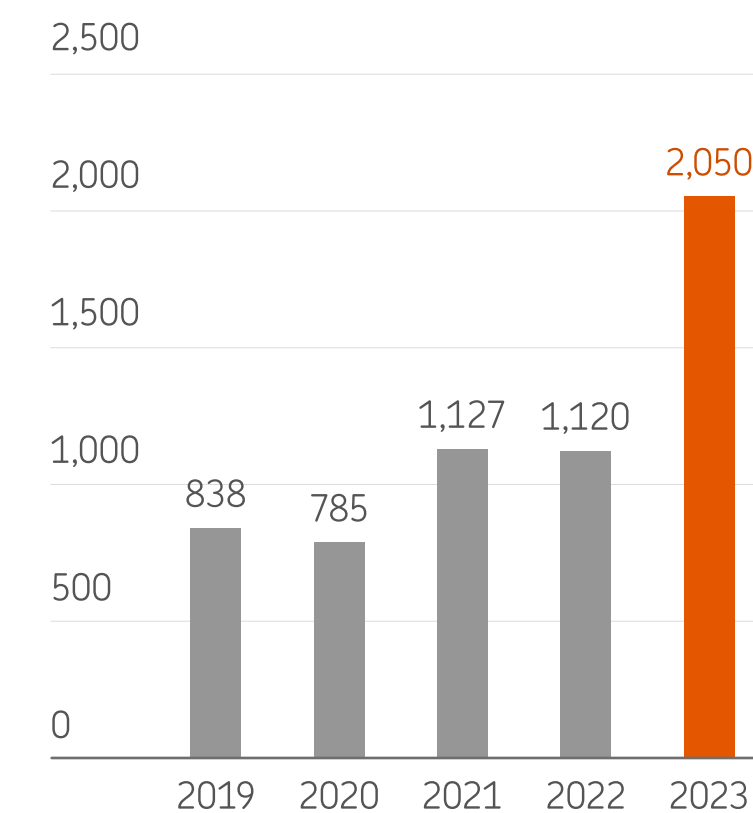
-23%

Insurance service result

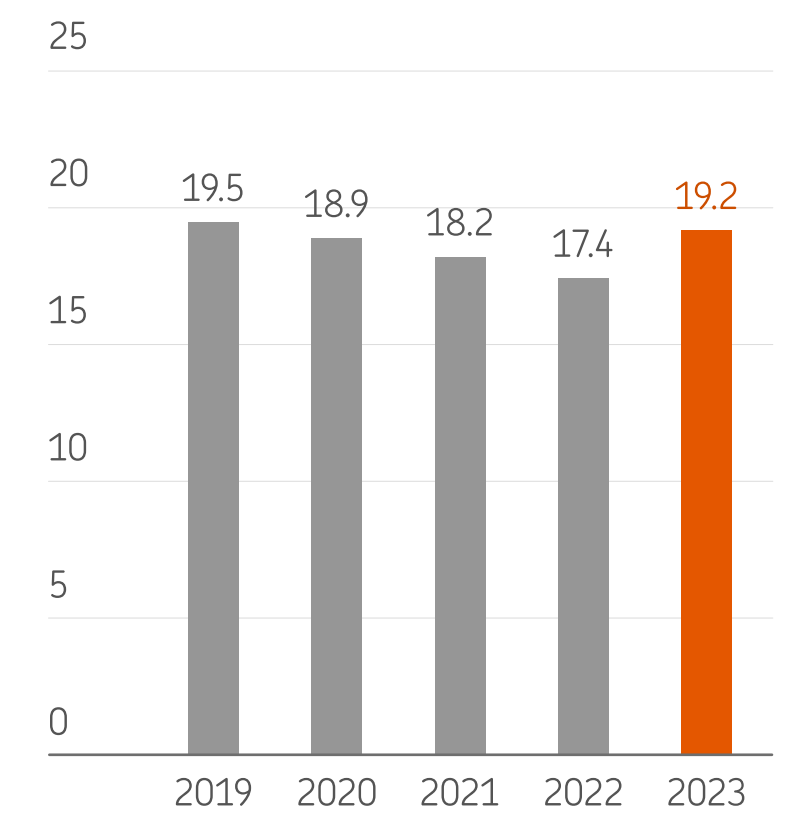
+12%

Total expenses

Operating profit, € million



Common Equity Tier 1 ratio (CET1), %





Responsible business is one of OP Financial Group's strategic priorities. We take account of sustainable development and climate and environmental factors in everything we do. As a financier, insurer, investor and developer of services and products, we support our customers and other stakeholders in the sustainability transition of their business operations or other functions.

* Persons working in the central cooperative on an executive contract as well as managing directors of OP cooperative banks.

Green finance

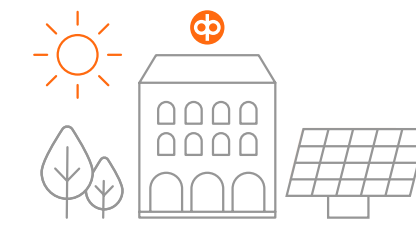
6.6

Green loans, sustainability-linked loans and credit limits, € billion

87.7%

Proportion of sustainable funds in all fund assets at end of 2023

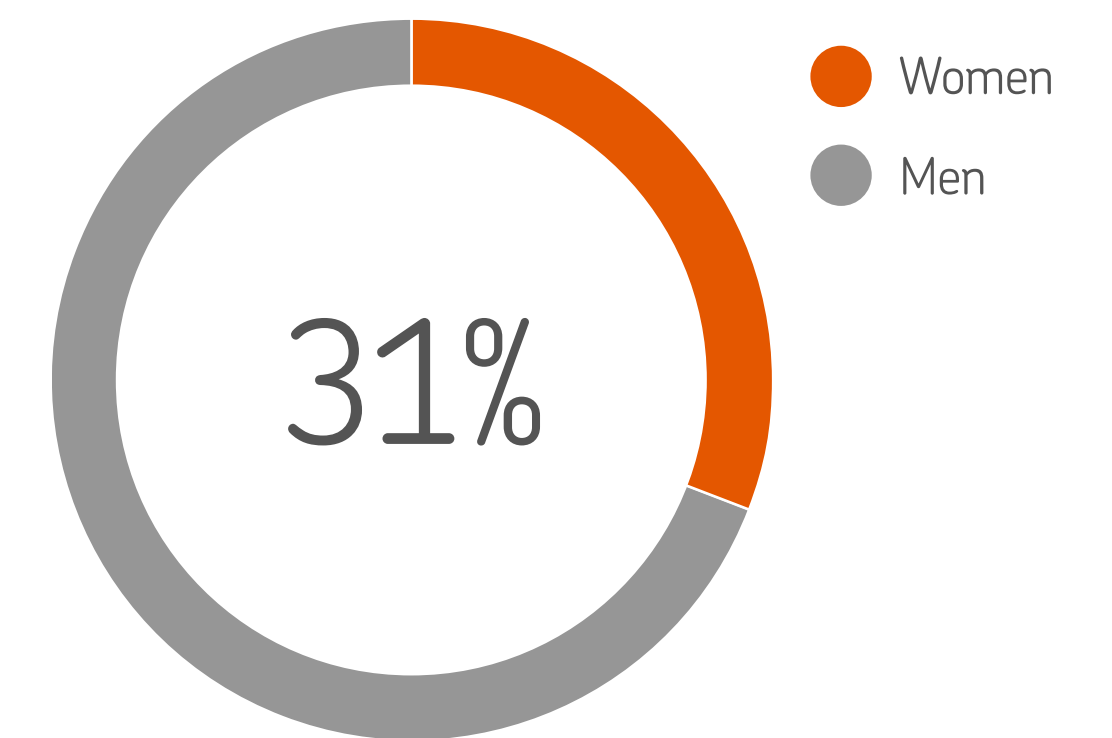
Renewable energy



99.2%

Renewable energy's share (Scope 1 and 2) of power consumption on real estate in use by OP

Women in managerial positions*



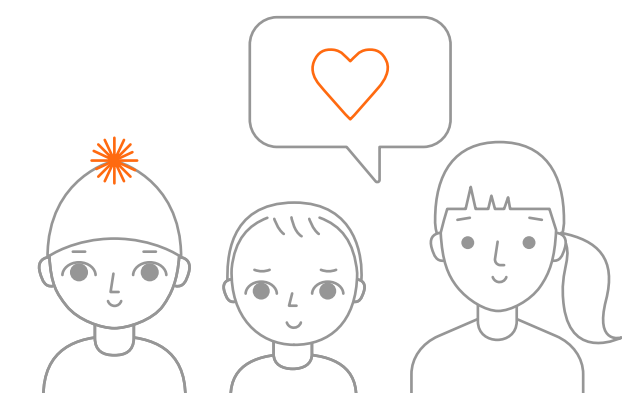
Children and youth



We strengthened the financial literacy of around

91,000

children and young people

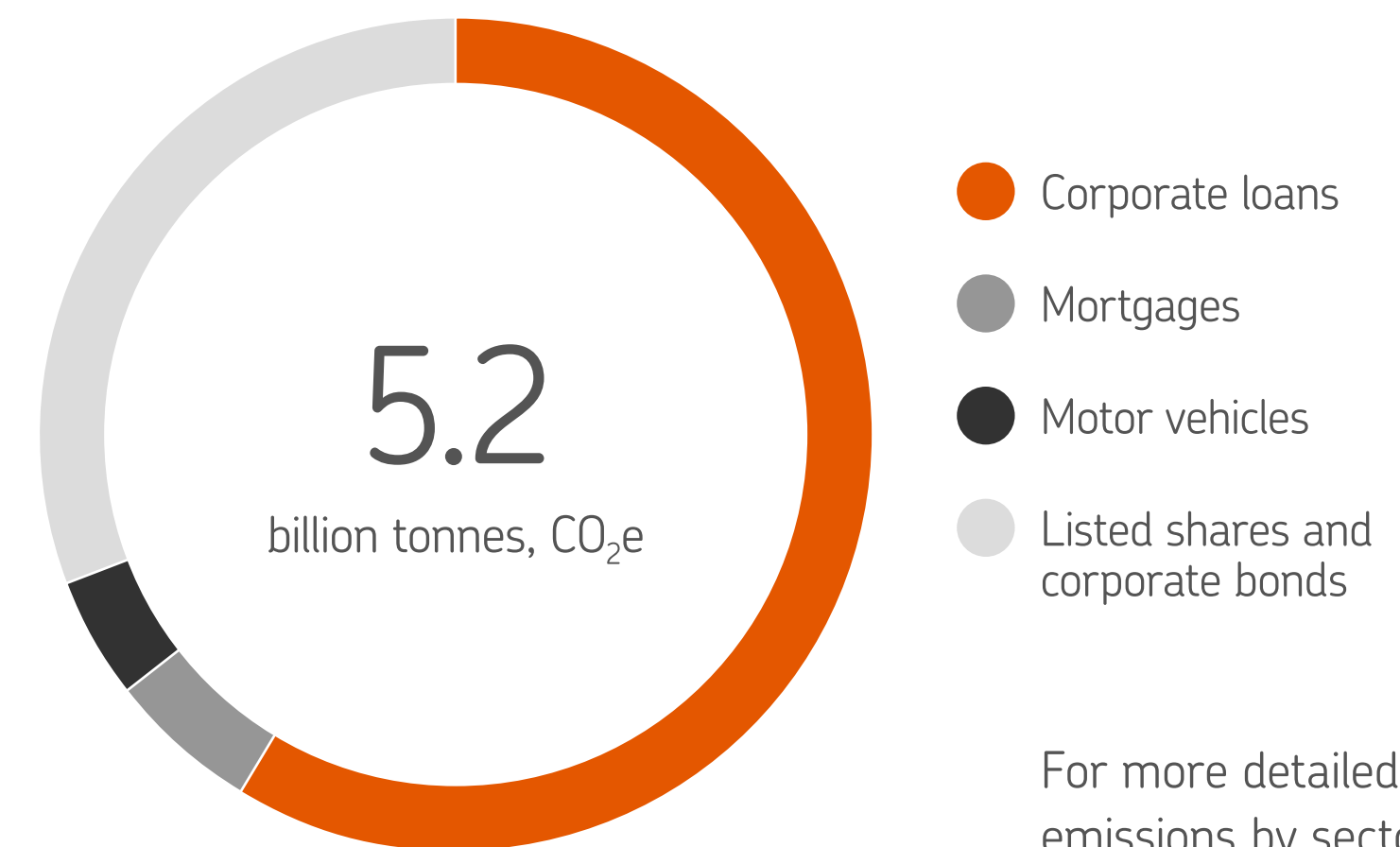


We supported the wellbeing of children and young people with approximately

4.5

million euros

Emissions of exposures by asset class (Scope 1 and 2)



For more detailed information on emissions by sector, see page [62](#).

Highlights 2023

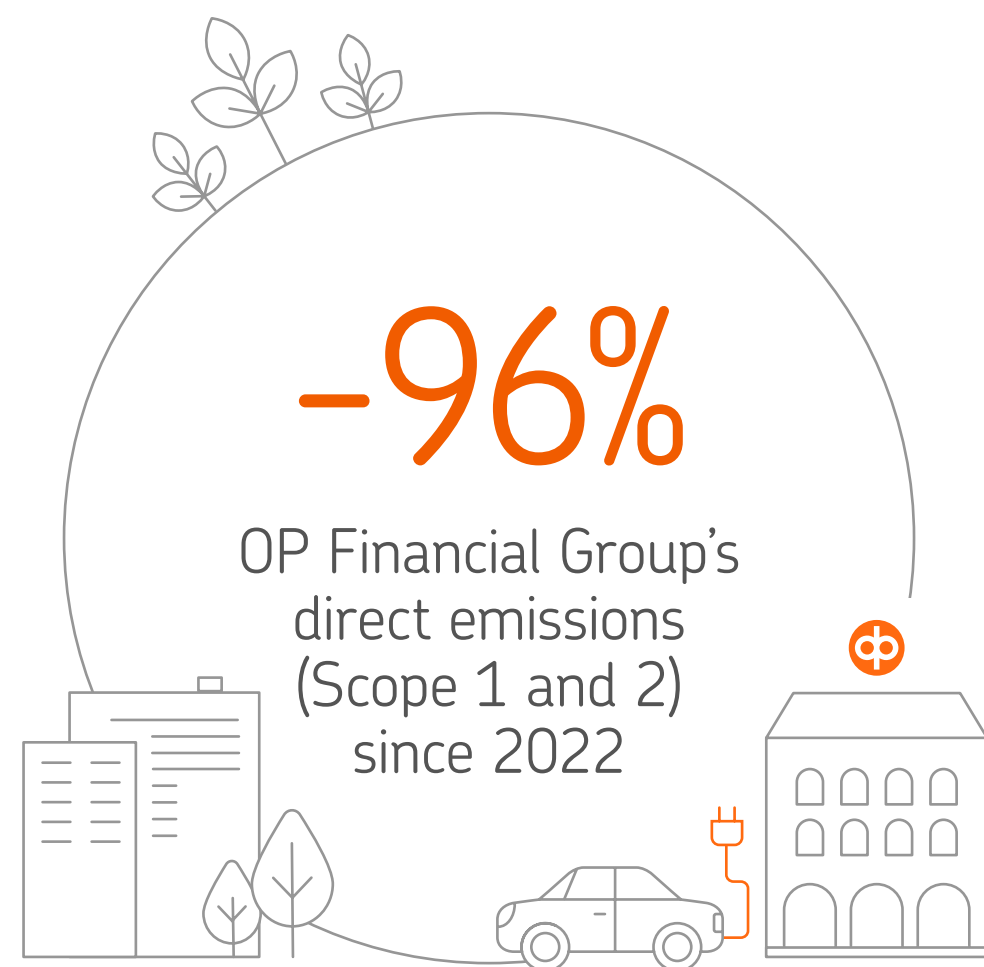
New emissions reduction targets and biodiversity road map at the core of corporate responsibility work

In August 2023, OP Financial Group set [sector-specific emissions reduction targets](#) for the energy, agriculture and residential real estate sectors, which account for more than 90% of the Group's Scope 3 emissions. These emissions targets have the purpose of nudging society towards more sustainable and lower-emission operations. In addition to emissions targets, OP Financial Group published in December [a road map for the promotion of biodiversity](#). OP Financial Group aims to promote biodiversity – both locally and through customer impact. Both the sector-specific emissions reduction targets and the biodiversity road map form part of OP Financial Group's sustainability programme.



Extra OP bonuses for OP cooperative banks' owner-customers

OP Financial Group increased the [OP bonuses](#) payable for 2023 by 30% – an estimated additional benefit of 60 million euros to owner-customers. In October, the Group also announced that it will give a 40% increase on OP bonuses earned for 2024, which means an estimated additional bonus of 86 million euros. In addition, owner-customers will get daily banking services without monthly charges until the end of 2024. Between October 2023 and December 2024, the value of this benefit will amount to an estimated 110 million euros. The total value of these additional benefits to owner-customers was 82 million euros for 2023 and will be 174 million euros for 2024.



OP Financial Group introduced new sustainable finance solutions for the needs of SMEs, housing companies and farmers

The role of sustainability in business continues to be emphasised. In 2023, OP Financial Group promoted its customers' goals for green transition by developing new sustainable finance solutions. The Group launched the new green loan and three [EIF guarantees](#) of the European Investment Fund intended for various purposes in order to make it easier for SMEs and housing companies to get financing. An EIF guarantee is granted on the basis of a green business model or for a green investment.

The guarantee enables customers to get loans on favourable terms. In the latter half of the year, the Group also launched sustainable supply chain finance to encourage supply chains to more sustainable operations through sustainability-linked financing. At the end of the year, the Group introduced the [OP-Sustainable Wellbeing fund](#) that invests in companies whose business supports the sustainable well-being of people and society or which are an exemplary employer in terms of social and equality questions.



OP mutual funds attracted

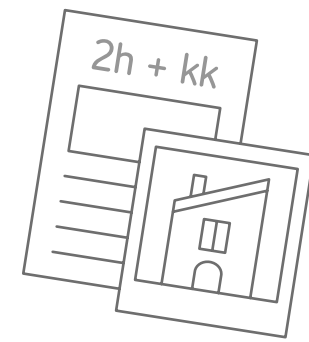
65,000

new unitholders in 2023, which accounted for 53% of net market growth

”

OP Koti was ranked as Finland's most reliable real estate agency for the 12th time in a row

(Source: Finland Today 2/2023
Real estate agencies, Taloustutkimus Oy.)



OP Financial Group introduced a people-oriented artificial intelligence assessment model and publishes its first AI transparency report

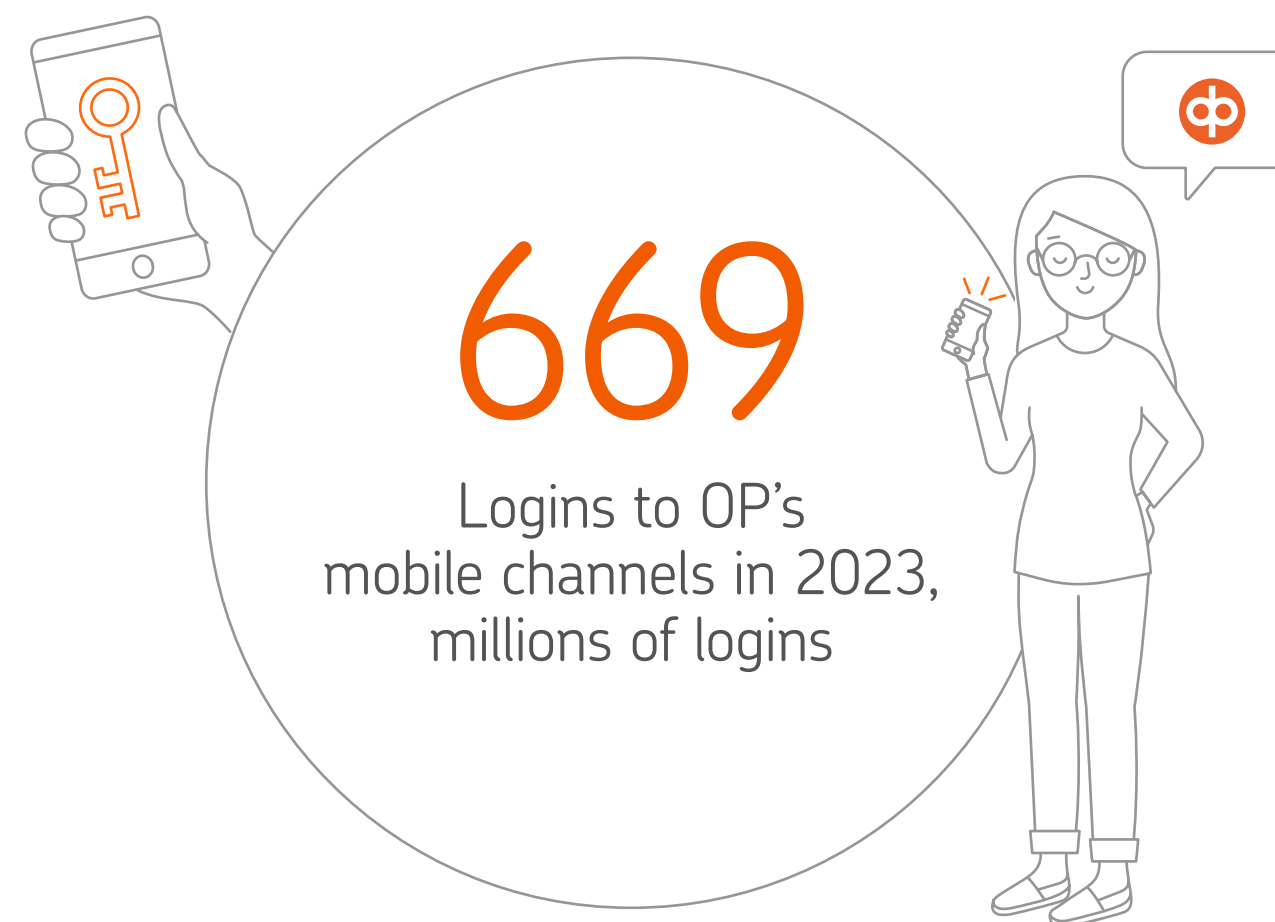
Use of AI in services is increasing rapidly, raising consumers' expectations in relation to descriptions of how it is governed and functions. To meet this need, OP adopted in 2023 a people-oriented model for assessing and enhancing the transparency of its AI-based services. The Group also tested the use of AI by letting Maiju, an AI tool developed by OP Lab, to write property

listing texts for OP Koti real estate agents. At the end of 2023, Maiju was adopted across OP Financial Group. The Group's first AI transparency report is based on an external assessment of the My financial balance app and OP customers' perspectives and expectations regarding AI. The transparency report is available [on the op.fi website](https://www.op.fi).



OP Financial Group began an extensive cloud migration and utilises cloud services built by Microsoft in Finland

In summer 2023, OP Financial Group and Microsoft [announced](#) that they will deepen their IT collaboration. Through the partnership and migration to the Microsoft cloud environment, the Group will be able to provide its customers with even better services and adapt quickly to the digitalising world. The cloud migration is a significant investment for the Group in new technology, IT expertise and operating model. The decision to concentrate IT services on the cloud ecosystem located in Finland and build its new digital services and data platforms in Microsoft Azure will foster digital growth in the whole of Finland. In 2023, OP Financial Group also [announced that it will recruit](#) 300 international top IT talents to develop the financial services of the future.



OP Smart Contracts service for easier car sales between private individuals

In 2023, OP Financial Group brought new safety and smoothness to car sales between private individuals by launching the [OP Smart Contracts](#) service. The service provides everything people need when changing cars, in a single package, making the process transparent, smooth and safe for both the seller and the buyer. Through the service, the buyer can apply for financing, buy motor vehicle insurance and register the car in connection with the purchase.



Retail Banking

The Retail Banking segment provides banking services for personal and SME customers at OP cooperative banks and the central cooperative consolidated.

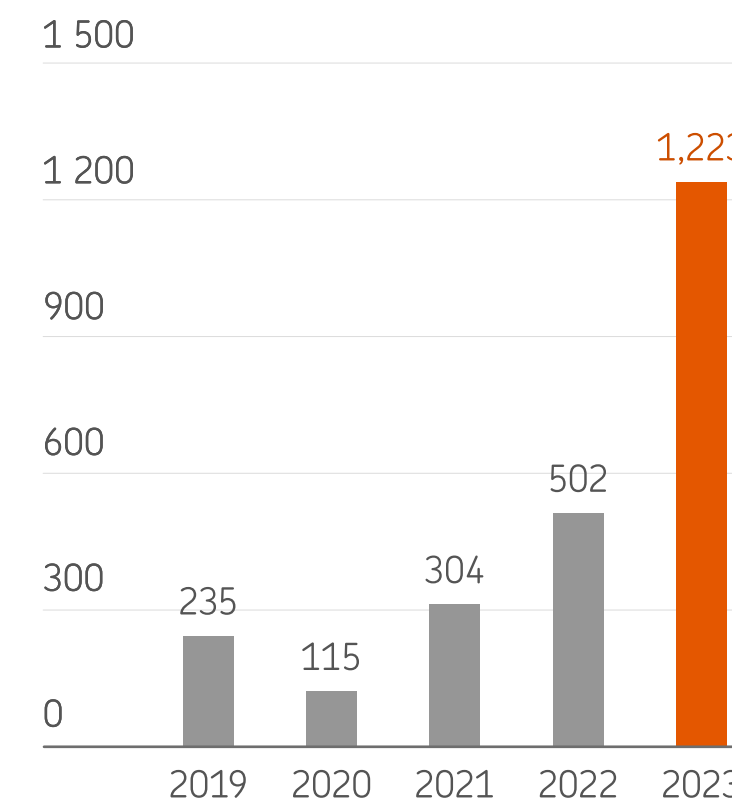
- OP Financial Group is Finland's leading provider of home and corporate loans.
- The Retail Banking business segment covers banking for personal and SME customers. It includes OP Financial Group member cooperative banks, OP Retail Customers plc, OP Mortgage Bank and Pivo Wallet Oy.
- We want to be a reliable financial partner that provides the best experience for our customers both locally and digitally.
- We support our customers in managing their finances and help them to make sustainable choices throughout their lives.
- OP Koti, part of the Retail Banking business segment, is responsible for the real estate agency business at OP Financial Group. A total of 26 local OP Koti companies provide real estate agency services to their customers.

Operating profit
1,223 € million
+143%

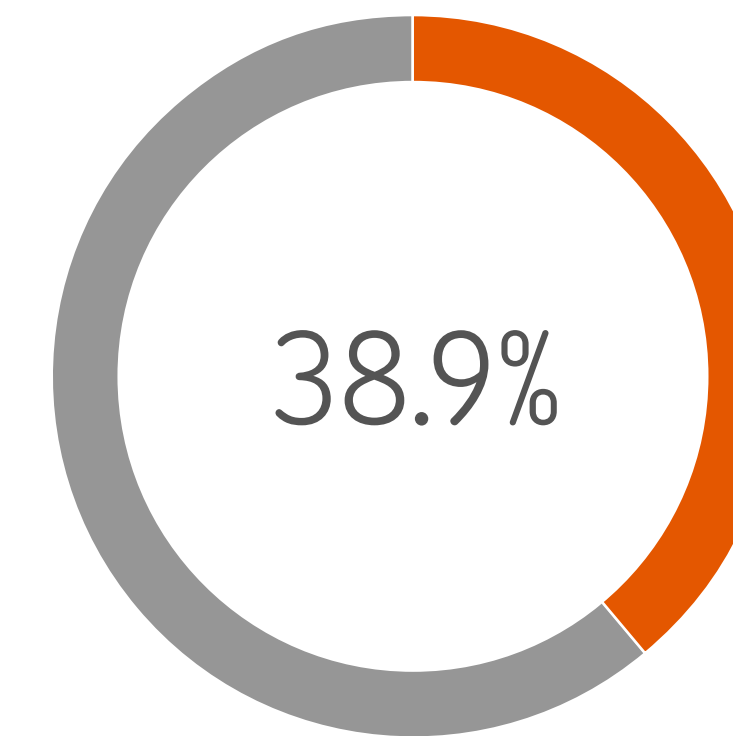
Loan portfolio
70.9 € billion
-2%

Deposit portfolio
61.2 € billion
-6%

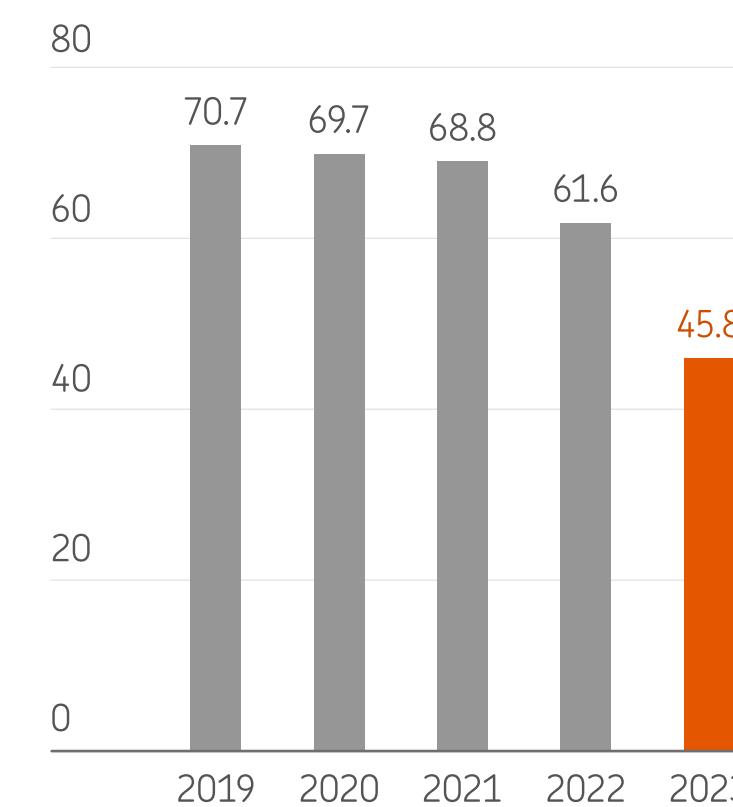
Operating profit, € million



Market share in home loans



Cost/income ratio, %



Income
2,976 € million
+49%

Net interest income
2,258 € million
+89%

Net commissions and fees
686 € million
-11%

Expenses
1,363 € million
+11%

OP Financial Group has applied IFRS 17 Insurance Contracts as of 1 January 2023. The figures in the income statement and balance sheet for 2022 have been adjusted retrospectively. The preceding years' figures (2019, 2020 and 2021) have not been adjusted. Market shares: Bank of Finland and OP's calculations.

In 2023,
OP customers opened

74,000

new book-entry and equity savings accounts.

OP Koti brokered

9,000

sales of properties and housing company shares in 2023



Our commitment portfolio in sustainable finance grew by 25% from the previous year, to EUR

6.5
billion

More than 87.7% of our fund assets were invested in ESG funds, such investments totalling EUR

27.2
billion



Corporate Banking

OP Financial Group's Corporate Banking segment comprises banking and asset management services for corporate and institutional customers.

- OP Corporate Bank is Finland's leading bank for corporations and institutions. OP Corporate Bank was again ranked as Finland's best corporate bank in the Prospera survey at the end of 2023.
- OP Financial Group's Corporate Banking segment consists of banking and asset management services for corporate and institutional customers. It comprises OP Corporate Bank plc's banking, OP Asset Management Ltd, OP Fund Management Company Ltd, OP Real Estate Asset Management Ltd and OP Custody Ltd.
- Through long-term cooperation, we support our customers' success, growth and internationalisation.
- We are pioneers in sustainable finance and investment in Finland. As a partner for companies, we also seek to foster a sustainable economy.

Operating profit

408 € million
-2%

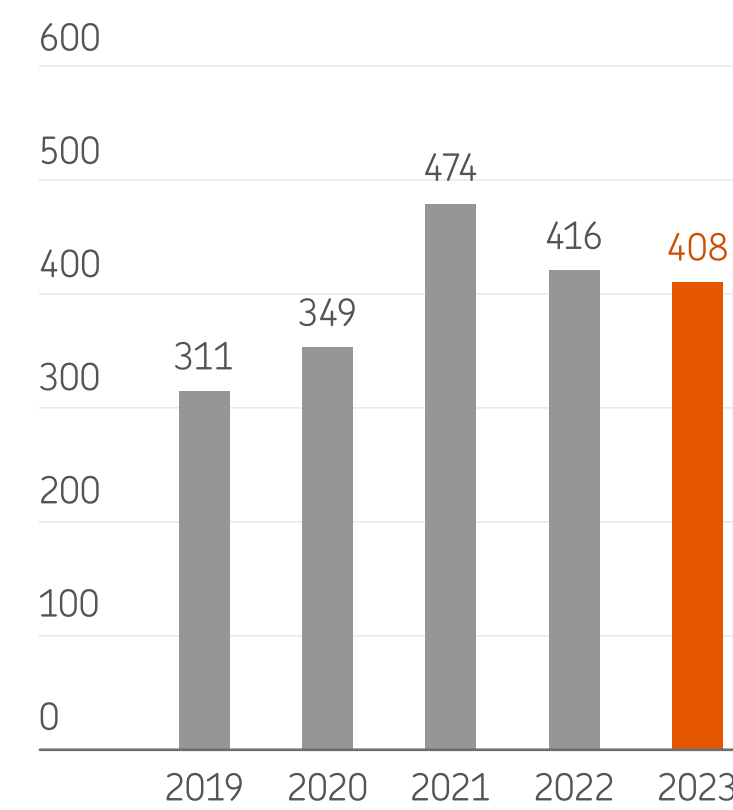
Loan portfolio

28.1 € billion
+1%

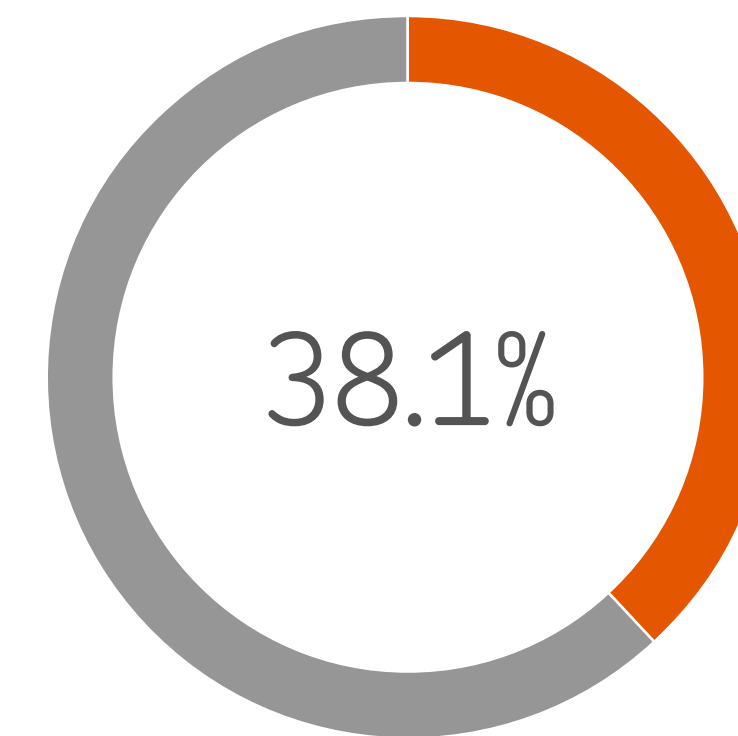
Assets under management

74.7 € billion
+3%

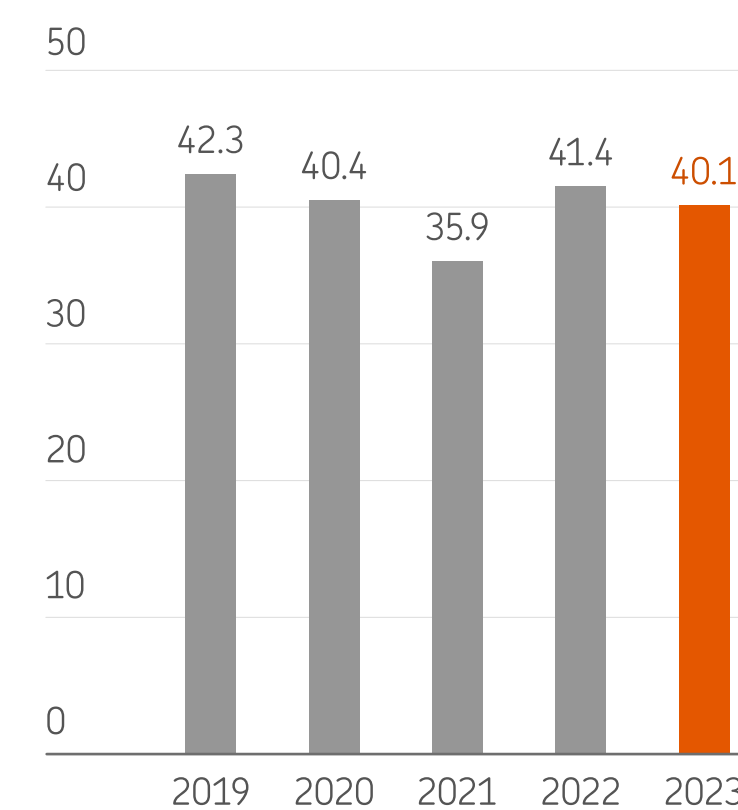
Operating profit, € million



Market share in corporate loans



Cost/income ratio, %



Income

885 € million
+14%

Net interest income

591 € million
+29%

Net commissions and fees

219 € million
+32%

Investment income

53 € million
-61%

Expenses

354 € million
+10%

OP Financial Group has applied IFRS 17 Insurance Contracts as of 1 January 2023. The figures in the income statement and balance sheet for 2022 have been adjusted retrospectively. The preceding years' figures (2019, 2020 and 2021) have not been adjusted. Market shares: Bank of Finland and OP's calculations.



Insurance

The Insurance Customers segment comprises Pohjola Insurance and OP Life Assurance Company.

- Pohjola Insurance is Finland's leading non-life insurer with a market share of 32.6%.
- Pohjola Insurance aims to ensure that our customers have versatile and comprehensive insurance cover. The importance of insurance is emphasised in uncertain times. We anticipate and assist our customers towards a safer future.
- In terms of insurance assets, OP Life Assurance Company Ltd was Finland's second largest life insurance company in 2023 with a market share of 27.1%.
- OP Life Assurance Company's mission is to help customers to prepare for their own and their families' future. It provides solutions covering life insurance, saving through insurance, and corporate incentive schemes.

Claims paid by Pohjola Insurance in 2023 totalled

1.1
billion euros

94%

of reported claims were compensated in 2023

Operating profit

414 € million
+41%

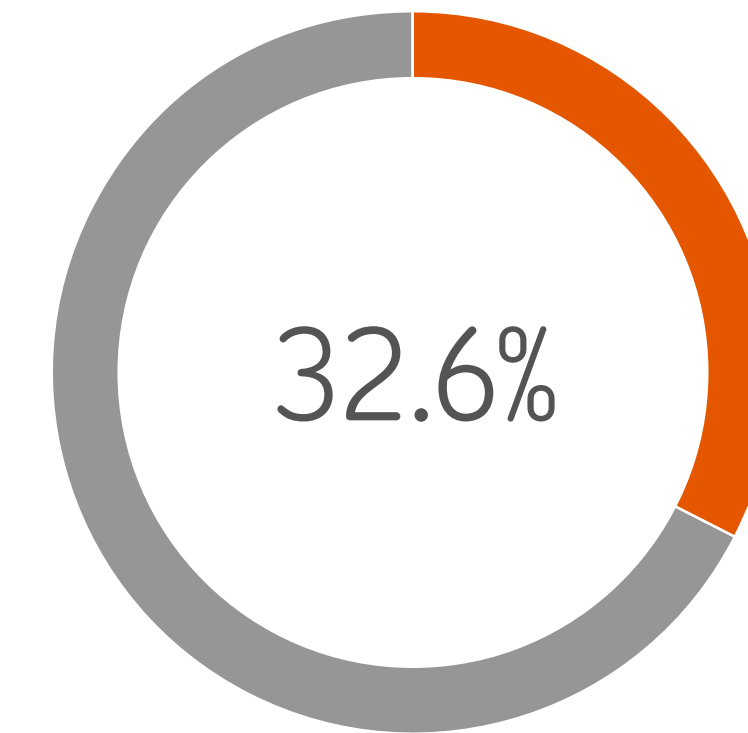
Insurance service result

81 € million
-23%

Investment income

347 € million
+125%

Market share in non-life insurance



Non-life insurance premiums written

1,792 € million
+6%

Life insurance unit-linked insurance assets

12.6 € billion
+8%

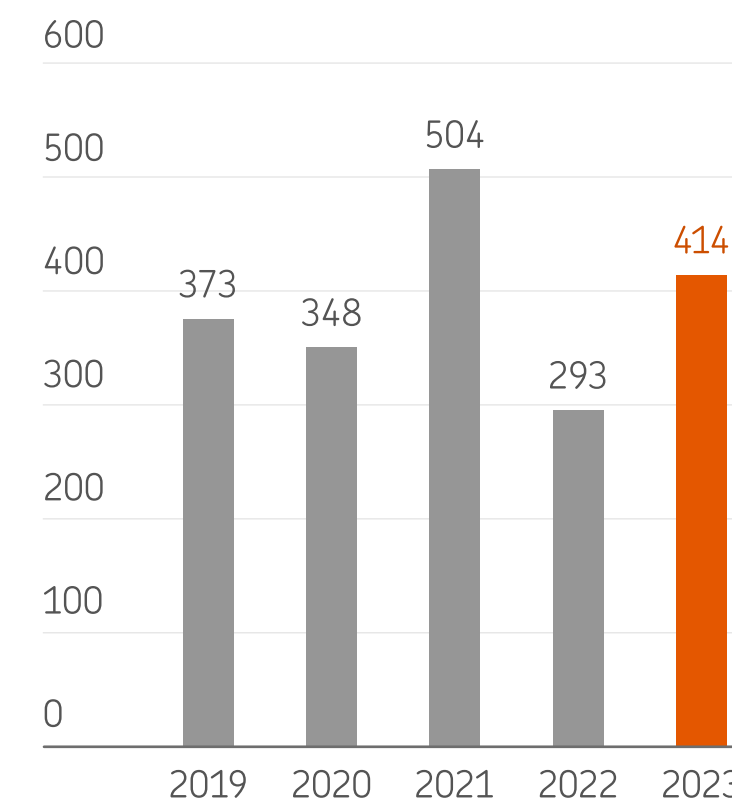
Premiums written in term life insurance

+10%

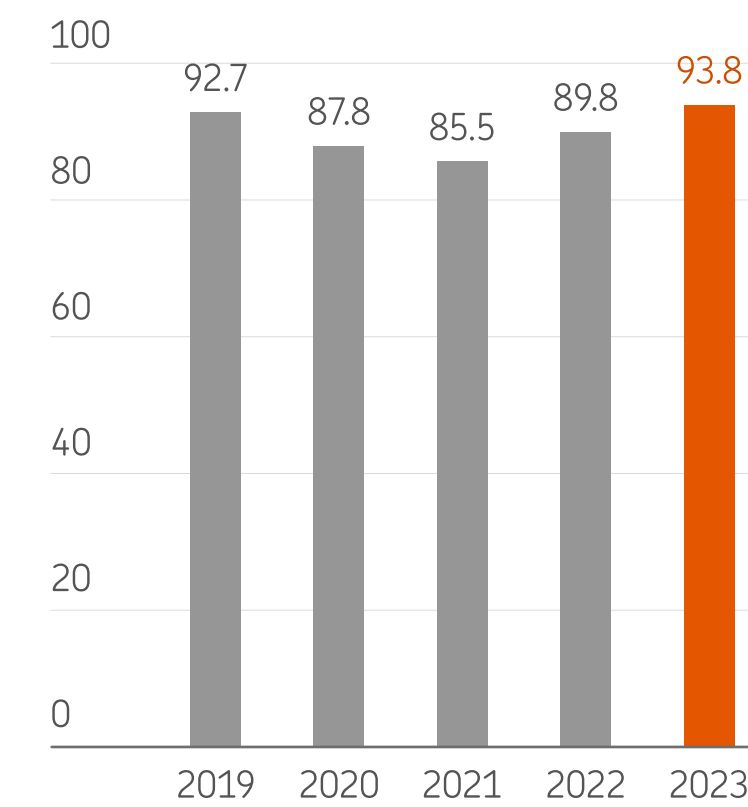
Expenses

548 € million
+19%

Operating profit, € million



Non-life Insurance's combined ratio, %



OP Financial Group has applied IFRS 17 Insurance Contracts as of 1 January 2023. The figures in the income statement and balance sheet for 2022 have been adjusted retrospectively. The preceding years' figures (2019, 2020 and 2021) have not been adjusted. Market shares: Finance Finland.

Sustainability and corporate responsibility

Sustainability and corporate responsibility are integral parts of OP Financial Group's strategy and every OP employee's daily work. In this section, we will describe OP Financial Group's sustainability and corporate responsibility work and the implementation of our sustainability programme. We will also provide the related indicators based on the GRI (Global Reporting Initiative) Standards.

”

In August 2023, we set sector-specific emissions reduction targets for three sectors, which account for more than 90% of the emissions of OP Financial Group's credit portfolio.

OP Financial Group's sustainability programme

We want to be a responsible pioneer in the financial sector, in line with our strategy and values. Our sustainability and corporate responsibility work is supported by our sustainability programme and the measurable goals defined under it.

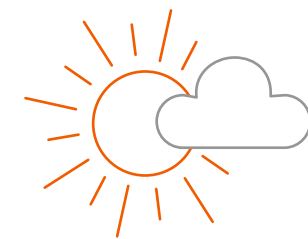
Our sustainability and corporate responsibility work is based on the mission and core values of OP Financial Group, supported by our cooperative business model. Our commitments to sustainability and corporate responsibility concern many different areas, such as environmental responsibility, customer orientation, social responsibility, employee wellbeing and the principles of ethical conduct.

Our sustainability programme and its goals respond to the changing operating environment, the grown expectations of stakeholders and the increased regulatory requirements. The sustainability programme and its policy priorities implement OP Financial Group's strategy, guiding our sustainability and corporate responsibility actions.

In drawing up our sustainability programme, we used stakeholder feedback such as various customer studies, observations arising from discussions, external assessments and surveys directed at our employees, experts and our owner-customers.

Our background work helped us determine sustainability and corporate responsibility themes suited and material to

We will build a sustainable tomorrow together



Climate and the environment Sustainability programme goals

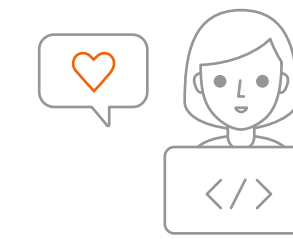
We will offer sustainable financing and investment products to our customers

We will decrease emissions across our loan and investment portfolios

We will become carbon neutral by 2025

We will promote the circular economy in our business and that of our customers

We will promote biodiversity and the wellbeing of nature



People and communities Sustainability programme goals

We will foster a diverse, inclusive and non-discriminatory culture

We will promote the wellbeing of our local communities

We will support the management of personal finances and improve financial literacy

We will help customers with special needs to manage their finances

We will identify the impact of our operations on human rights



Corporate governance Sustainability programme goals

We will integrate sustainability with all our business operations and risk-taking

We will use data and artificial intelligence responsibly

We will require our partners to commit to our Supplier Code of Conduct

We will increase diversity in our governing bodies

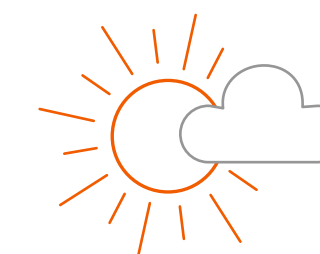
We will further improve the sustainability competencies of our samhälle



OP Financial Group: Climate and the environment, People and communities, and Corporate governance. As such, the structure is in line with the ESG model and extensively covers different areas of sustainability and corporate responsibility. ESG is short for Environmental, Social and Governance. Each theme includes five sub-areas we will promote in our sustainability and corporate responsibility work.

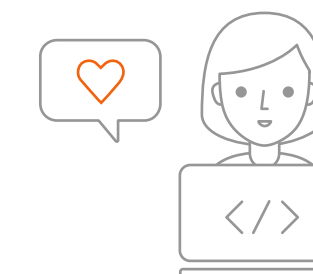
Sustainability programme themes

> Climate and the environment



We want our operations to have a positive impact on the climate and on our environment, and we will take active action to reduce adverse impacts on the climate and the environment. The objectives we have selected for the Climate and the environment theme are related to sustainable financing and investment products, sustainable insurance operations, decreasing our emissions and our customers' emissions, circular economy and biodiversity.

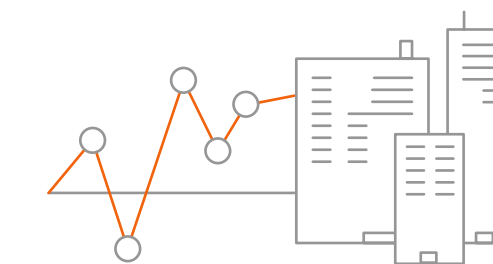
> People and communities



Social responsibility and the wellbeing of local communities are at the heart of

everything we do. The People and communities theme includes objectives related to promoting the diversity of our personnel, the wellbeing of local communities, promoting financial and digital skills and respecting human rights.

> Corporate governance



By following the principles of good corporate governance, we make sure that we will reach our sustainability and corporate responsibility goals. We have set objectives regarding the integration of ESG factors in all our business operations, risk management, responsible data, value chain, governance diversity and our employees' sustainability competencies.

OP's sustainability programme supports the UN Sustainable Development Goals

We have developed indicators measuring the progress towards each objective. In addition, the programme's objectives are linked to the UN Sustainable Development Goals (SDGs) and subgoals. The indicators and the UN Sustainable Development Goals are available at op.fi/sustainability.

We report in accordance with the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive (CSRD) as of 2024.

Implementation of OP Financial Group's sustainability programme in 2023

Climate and the environment

SDGs	Subgoal	Goal	Indicator	2023	2022
	13.1	We will offer sustainable financing and investment products to our customers	<p>Our product range will cover sustainable financing and investment products</p> <ul style="list-style-type: none"> - Goal: Sustainable financing products will account for at least 8 billion euros of total commitments by the end of 2025 - Goal: Sustainable funds* will account for 60% of fund assets by the end of 2025 	6.6 € billion 87,7%	5.2 € billion 45,6%
	13.2	We will decrease emissions across our loan and investment portfolios	<p>OP Corporate Bank is committed to ensuring that its corporate loan portfolios are carbon neutral by 2050. A corresponding goal has been set for OP cooperative banks' corporate loans. OP Asset Management and OP Fund Management Company are committed to ensuring that the funds they manage are carbon neutral by 2050.</p> <ul style="list-style-type: none"> - Goal: OP Financial Group will cut 25% of its corporate loan portfolio emissions by 2030 compared to 2022 	<p>Financed emissions** 5.22 million CO₂e tonnes</p> <p>Business loans 3.07 million CO₂e tonnes Mortgages 0.30 million CO₂e tonnes Motor vehicle loans 0.25 million CO₂e tonnes Listed equity and corporate bonds: 1.60 million CO₂e tonnes</p> <p>Insurance**: 0.23 million CO₂e tonnes</p> <p>Personal customers' motor vehicle insurance 0.15 million CO₂e tonnes Corporate insurance 0.09 million CO₂e tonnes</p> <p>Emissions intensity of OP funds 97 tCO₂e/mUSD</p>	<p>Financed emissions** 6.07 million CO₂e tonnes</p> <p>Business loans 3.39 million CO₂e tonnes Mortgages 0.82 million CO₂e tonnes Motor vehicle loans 0.21 million CO₂e tonnes Listed equity and corporate bonds: 1.65 million CO₂e tonnes</p> <p>Emissions intensity of OP funds 124 tCO₂e/mUSD</p>

OP Asset Management and OP Fund Management Company are committed to ensuring that the funds they manage are carbon neutral by 2050







- **Goal:** OP funds will halve their greenhouse gas emission intensity by 2030 compared to 2019***
- Besides various sustainable investment and financing products, the range of tools includes investment decisions promoting the achievement of our goals and active dialogue with our clients and investees
- We require that large companies subject to high climate transition risk prepare company-specific emission reduction plans by the end of 2025

* Article 8 and article 9 funds.

** Emissions calculated by using the PCAF calculation method.








*** Initial level 179 tCO₂e/mUSD.



SDGs	Subgoal	Goal	Indicator	2023	2022
 	12.2 12.5 13.3	We will promote the circular economy in our business and that of our customers	<p>We will promote digital payment methods and replace the payment cards we issue with ones made from recycled plastic</p> <ul style="list-style-type: none"> - Goal: In 2026, 100% of payment cards issued by OP will have been replaced with ones made from recycled plastic as part of the normal card replacement cycle <p>We will promote the circular economy as part of our business</p> <ul style="list-style-type: none"> - Goal: We will finance projects related to the circular economy as part of sustainable finance and maintain active dialogue with our investees. Pohjola Insurance's Vehicle Insurance Claims Settlement increases operating models that promote the circular economy by encouraging repair of damaged parts whenever possible, keeping traffic safety and the parts' high quality in mind 	<p>32.7% of all cards are made from recycled plastic</p> <p>A total of 53% of damaged car parts, 37% of damaged bumpers and 42% of damaged windshields were repaired</p>	50% of OP Duo cards are made from recycled plastic
 	7.2 13.2	We will become carbon neutral by 2025	<p>OP will become carbon neutral in its own operational emissions by 2025</p> <ul style="list-style-type: none"> - Goal: Net zero emissions for scope 1 and 2 by the end of 2025 	282 CO ₂ e-tons	7,156 CO ₂ e-tons
 	14.1 15.5	We will promote biodiversity and the wellbeing of nature	<p>We will identify any negative impacts our operations have on biodiversity and take measures to reduce biodiversity loss</p> <ul style="list-style-type: none"> - Goal: We will discuss biodiversity goals with 200 corporate customers (those that are considered most material based on our exposures) in the sectors assessed as most material for our business (agriculture/food industry, forest industry, energy, real estate and construction, and transport) <p>We will enhance the sustainability of Finnish agriculture in terms of its profitability and environmental friendliness</p> <ul style="list-style-type: none"> - Goal: We will develop the competencies of specialists working with agricultural customers and improve the knowledge of farmers by entering training partnerships. We launched the related measures in 2023 	<p>A nature roadmap was approved in 2023</p> <p>Reporting of targets as of 2024</p>	Biodiversity assessment performed in 2022



People and communities








SDGs	Subgoal	Goal	Indicator	2023	2022
 	5.5 8.8	We will foster a diverse, inclusive and non-discriminatory culture	<p>We will foster a diverse competence base in our business units</p> <ul style="list-style-type: none"> - Goal: At least 40% representation of each gender in executive positions* by 2025 - Goal: Employee experience of management's commitment to the promotion of diversity, inclusion and non-discrimination, personnel survey 2025: >4.0 (scale 1–5) <p>Employees view recruitments and career transitions as fair, incentivising them towards continuous development</p> <ul style="list-style-type: none"> - Goal: Employee experience of diversity and non-discrimination in career transition and recruitment, personnel survey 2025: >4.0 (scale 1–5) - Goal: Trend in feedback** from job applicants 	31%	31%
	8.5 10.2	We will promote the wellbeing of our local communities	<p>We will enhance the wellbeing of children and youths, their confidence in the future, and support the employment of young people</p> <ul style="list-style-type: none"> - Goal: Number of children and youths reached through leisure activities sponsored by OP, 200,000 persons per year - Goal: Summer jobs for young persons paid for by OP; 2,000 summer jobs per year 	254,000	Reporting as of 2023
 	4.4 8.3	We will support the management of personal finances and improve financial literacy	<p>We will improve financial literacy to give everyone equal opportunities to manage their finances</p> <ul style="list-style-type: none"> - Goal: Number of children and youths reached through financial literacy training events and projects organised by OP cooperative banks and partners, 70,000 persons per year 	91,000	90,000
	10.2	We will help customers with special needs to manage their finances	<p>We will help customers with special needs in their independent, multichannel and easy use of banking and insurance services and promote their digital skills</p> <ul style="list-style-type: none"> - Goal: Customers reached in training events on digital skills, 20,000 persons per year 	26,000	12,000
	10.2	We will identify the impact of our operations on human rights	<p>We will carry out a self-assessment of the human rights impacts of our operations based on which we will draw up a human rights policy to improve our operations</p> <ul style="list-style-type: none"> - Goal: Creating a human rights policy and an action plan addressing our key impacts based on the self-assessment by the end of 2023 	A human rights assessment was performed in 2023 and OP Financial Group's Human Rights Statement and Human Rights Policy were published in 2023	Human rights survey launched in 2022

* Persons working in the central cooperative on an executive contract as well as managing directors of OP cooperative banks.

** The applicant feels that they were treated fairly during the recruitment process (scale 1–5).



Corporate governance

SDGs	Subgoal	Goal	Indicator	2023	2022
	13.1 13.3	We will integrate sustainability with all our business operations and risk-taking	We will guide our customers in preparing for and adapting to the various effects of climate change and the related risks. We will monitor developments in the regulation of sustainable finance and the EU taxonomy, because they will change our business environment and the basis of our success. <ul style="list-style-type: none"> - Goal: We will use scenario work to assess the impact of climate and environmental change on the success of our customers and OP Financial Group - Goal: Our sustainability reporting is reliable and easy to understand - Goal: We will comply fully with regulatory requirements related to anti-money laundering and sanctions - Goal: We will link ESG factors to OP Financial Group's risk reporting by the end of 2023 	All our operations comply with regulations, and we comply fully with regulatory requirements related to antimoney laundering and sanctions We included ESG factors in OP Financial Group's risk reporting	All our operations comply with regulations, and we comply fully with regulatory requirements related to antimoney laundering and sanctions
	16.6	We will use data and artificial intelligence responsibly	We will annually report on the responsible use of data capital at OP Financial Group	Data Balance Sheet 2023	Data Balance Sheet 2022
 	8.5 8.8 12.2	We will require our partners to commit to our Supplier Code of Conduct	We will increase the number of suppliers committed to our Supplier Code of Conduct* <ul style="list-style-type: none"> - Goal: 100% of contract suppliers in OP's supply chains will commit to our Supplier Code of Conduct by 2025 	92%	87%
 	5.5 16.6	We will increase diversity in our governing bodies	We will ensure diverse membership of supervisory councils and boards of directors in OP cooperative banks and the central cooperative to help OP Financial Group succeed <ul style="list-style-type: none"> - Goal: The Group-level gender balance of supervisory councils and boards of directors of OP cooperative banks and the central cooperative will be at least 40% by 2025 	Percentage of women: Board of Directors 45%, Supervisory Council 49%	Percentage of women: Board of Directors 44%, Supervisory Council 48%
	4.7	We will further improve the sustainability competencies of our personnel	<ul style="list-style-type: none"> - We will further improve the sustainability competencies of our personnel and governing body members by offering ESG training - Goal: We will increase our training offering to various target groups <ul style="list-style-type: none"> - Goal: OP Financial Group's personnel will complete training on the sustainability programme during 2023 	Mandatory ESG training courses A total of 16,014 persons completed training on the sustainability programme in 2022–2023 The average pass rate was 87.4%	ESG training opportunities were increased in 2022 2,820 persons completed the training on the sustainability programme

* In terms of purchase costs



Climate and the environment

Together with our customers, we enable the transition to a more sustainable future. We offer sustainable financing and investment products, reduce emissions and promote the circular economy and biodiversity.

Towards a more sustainable future together with our customers

The financial sector plays a key role in climate change mitigation, particularly in financing and investment operations, but also as part of sustainable insurance and claims management. We want our operations to have a positive impact on the climate and the environment, and we are active in reducing adverse environmental impacts. We also want to enable the transition to a more sustainable future together with our customers, and support our customers' preparation for the effects of climate change and their shift towards low-carbon operations. We offer our customers sustainable investment products as well as sustainable and green loans tailor-made for projects beneficial to the climate and environment.

Climate disclosure in accordance with the Task Force on Climate-related Financial Disclosures (TCFD)

> Governance

As part of risk assessment, OP Cooperative's Board of Directors monitors the impact of climate and

environmental factors on risk profile. Perspectives related to climate and environmental risks are taken into account in OP Financial Group's functions and processes, all business units and centres of excellence. Such integration is supported by the ESG and Corporate Responsibility function as well as Risk Management.

The Board of Directors supervises the management of climate and environmental matters and approves OP Financial Group's strategic priorities and indicators and policies subject to monitoring, including those related to climate and environmental risks. In addition, the Board of Directors handles ESG matters (environmental, social and governance factors) and their impact on OP Financial Group on a quarterly basis.

Appointed by the Executive Management Team, OP Financial Group's ESG Committee supports the management of ESG matters and other sustainability and corporate responsibility matters. The ESG Committee monitors, controls and reports on the implementation of the sustainability programme, prepares Group-level policies and monitors sustainability and corporate responsibility regulation. The ESG Committee is also tasked with ensuring that ESG matters are realised in a high-quality manner that fulfils the expectations of customers and

Relevant policies and commitments – [Climate and the environment](#)

Partnership for Carbon Accounting Financials (PCAF)

Task Force on Climate-related Financial Disclosures (TCFD)

Carbon Disclosure Project (CDP): OP Financial Group's climate actions scored B in CDP's international climate impact assessment in 2023

WWF Green Office

Read more detailed descriptions of our [commitments](#).

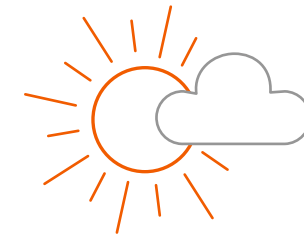
other stakeholders. The work of the ESG Committee takes account of official regulations, OP Financial Group's operating principles, and decisions approved by the Executive Management Team, Board of Directors and the Supervisory Council.

OP Financial Group's Regulatory Affairs department is responsible for the monitoring of regulation. With respect to ESG-related regulation, OP Financial Group observes shared principles and responsibilities regarding compliance and regulatory implementation. Group ESG is responsible for producing reports on matters of sustainability and corporate responsibility and the implementation of and compliance with regulation related to sustainability reporting. The ESG Committee's ESG regulation control group meets on a quarterly basis during the ESG Committee's meetings. The regulation change team under the control group is responsible for the practical implementation of regulation.

> Strategy

Responsible business is one of OP Financial Group's strategic priorities. We take account of sustainable development and climate and environmental factors in everything we do. As a financier, insurer, investor and developer of both services and products, we support our customers and other stakeholders in the sustainability transition of their business operations or other functions. By working together with our customers, we are enabling a more sustainable future.

OP Financial Group's short-term (1–12 months) goal is to increase the proportion of responsible corporate lending, recognise and develop new, sustainable products and further specify the calculation of emissions from business operations.



Climate and the environment Sustainability programme goals

We will offer sustainable financing and investment products to our customers

We will decrease emissions across our loan and investment portfolios

We will become carbon neutral by 2025

We will promote the circular economy in our business and that of our customers

We will promote biodiversity and the wellbeing of nature



OP Financial Group's medium-term (1–5 years) goal is to be carbon neutral in its operations (Scope 1 and 2 emissions) by 2025.

As our long-term goal (beyond 5 years), OP Financial Group is committed to becoming carbon neutral in its corporate loan portfolios and its managed funds by 2050. We aim to cut 25% of our corporate loan portfolio emissions by 2030, compared with the 2022 level.

In compliance with the United Nations Environment Programme Finance Initiative's (UNEPFI) Principles for Responsible Banking, we have made the decision to adapt our credit portfolios to the Paris Agreement. We will cut the emissions of our credit portfolios by following the principles of the Green House Gas Protocol. Sector-specific emissions in our exposures portfolio are presented on page [62](#).

As Finland's largest provider of corporate loans and financial services, we have the important task of supporting our customers in their transition to a carbon neutral economy. Reducing our own emissions is also important, but we can achieve the greatest impact by directing the most essential sectors in our portfolio to more sustainable and emission-free activities. We have set [sector-specific emissions reduction targets](#) for three sectors. Measured from the 2022 initial level, our goal is to reduce by 2030 1) the emissions intensity of energy production by 50%; 2) the absolute emissions associated with the agricultural sector by 30%; and 3) the emissions intensity of home loans by 45%.

We leverage the opportunities provided by climate and environmental perspectives in the development of our financing, investment and insurance products. Lively demand for OP's sustainable corporate finance continued in 2023. Wind power projects and green buildings were particularly prominent in sustainable object financing. Interest

in sustainability-themed bonds continued to rise. At the end of 2023, OP Corporate Bank had granted a total of EUR 6.5 million of green and sustainability-linked loans.

> Risk Management

>> ESG perspectives in credit risk management

The ESG themes we consider to impact our customers' financial position or the collateral values of loans are included in credit risks. So far, we have analysed credit risks from the ESG perspective primarily with respect to climate and environmental risks. These can be further divided into physical risks and transition risks.

Physical risks can directly lower the valuation of loan collateral. Floods can damage buildings, and storms and pests can harm forest collateral and at worst even the competitiveness of the agricultural and industrial sectors. Physical risks may cause difficulties for companies' value chains, especially if the chains include many operators in areas that have higher levels of physical risk than Finland.

Transition risks refer to risks caused by the transition to a low-emission economy. The rise in emission permit prices, the expansion of emissions trading and changes to the price of energy can increase costs to companies and households. Regulation changes that support the green transition can affect the support structures of different sectors, the volume of felled forest and the use of carbon-intensive raw materials. The structural changes in the economy required by the green transition will most likely decrease consumers', companies' and investors' demand for products that have a high carbon footprint. Promoting biodiversity has also recently emerged as an important



environmental factor, and this gives an important role to the impact business has on nature. Neglecting the requirements of the green transition can be considered to increase companies' credit risks in the long term due to declining business opportunities. On the other hand, reducing emissions or taking biodiversity better into account often requires making investments and can initially increase companies' debt burdens. In such a case, the risk levels of both the creditor and the debtor increase – particularly in the short term – as companies and households invest in new technological solutions that are more environmentally friendly and energy efficient. However, the risk levels also rise if no climate action is taken.

We manage the ESG dimension of credit risks with risk identification, analysis and monitoring. At regular intervals, we identify the ESG phenomena currently impacting credit risks and update our monitoring. In addition, when a portfolio has been identified as particularly risky, we analyse it more closely from the perspective of climate and environmental risks. Our credit risk management uses external service providers' risk assessments on the ESG risks of different sectors.

>> ESG perspectives in market risk management

Through changes in market expectations, climate and environmental risk factors have an impact on both the market risks involved in OP Financial Group's investment operations and the preferences of our investor customers. We aim to reduce the impacts of liquidity risk by issuing green covered bonds.

>> ESG perspectives in operational risk management

Extreme weather phenomena may cause physical damage and operational risks in our business locations. We manage the impacts of short-term and long-term climate risk factors of our investments by screening and excluding coal-dependent mining and electricity companies from our active and direct investments. We also keep a close eye on demand for other fossil fuels, and take the associated risks into account in our investment decisions. Tracking companies' climate performance is an integral part of portfolio management at OP Asset Management. Our portfolio managers and ESG Specialists have access to company-specific ESG analyses by independent service providers (MSCI, S&P Trucost), which also explain the most important climate change risks and opportunities of each company.

> Indicators and targets

OP Financial Group is committed to making its corporate loan portfolios and funds carbon neutral by 2050. We will halve the greenhouse gas emissions intensity of our mutual funds by 2030. OP Financial Group will cut 25% of its corporate loan portfolio emissions by 2030, compared with the 2022 level. Our goal is to make the insurance companies' investments carbon neutral by 2050 and halve the carbon intensity of investments by 2030 in comparison to 2019. We will increase investing in accordance with the Paris Agreement and the percentage of sustainable funds in the mutual fund assets of insurance policies. Read more about our sector-specific emissions reduction targets on page [27](#).

OP Financial Group does not provide finance for new coal power plants or coal mines, or companies that plan to build them. Neither do we finance new corporate customers with financial dependence of over 5% on coal as an energy source, measured in net sales. The only exceptions are corporate customers committed to making the low-carbon economy transition, who present a concrete plan to withdraw from coal.

In asset management, we will tighten our coal-exclusion policy stepwise, so that our direct and active investments will exclude business related to coal mining or coal power generation by the end of 2030. Active ownership is integral to our responsible investment operations. By 2025, through OP Asset Management's climate-related shareholder engagement, we will aim to cover 70% of financed emissions, as measured by direct equity and fixed income investments by OP funds in high climate risk sectors.

In practice, we will influence companies in general meetings, by direct dialogue or by joint initiatives. At the end of the first half of 2023, our climate engagement covered 79 companies in total. Measures for the first of these companies were initiated by voting at shareholders' meetings and by the Climate 100+ initiative. OP funds voted in shareholders meetings to support shareholders' proposals linked to the setting of emissions reduction targets and to oppose the re-election of some – or, in some cases, all – Board members because of insufficient measures taken by the Board and the management to further climate targets and actions. In the case of ten companies, OP funds also used their voting right as a method of influencing the setting of climate targets.

OP Fund Management Company publishes carbon footprint calculations for its managed equity and fixed income

funds annually and fund-specific ESG analyses for the majority of such funds four times a year. These analyses show not only the overall sustainability and corporate responsibility score for the whole portfolio but also the percentage of the portfolio companies' net sales attributable to renewable energy, energy efficiency and green buildings.

During 2023, we continued active dialogue with our partners and ensured that sustainability is embedded in our supply chains. All our partners have approved our Supplier Code of Conduct.

OP Financial Group is part of financial institutions' international Partnership for Carbon Accounting Financials (PCAF), which aims to develop and implement a harmonised approach to assessing and disclosing greenhouse gas emissions associated with loans, insurance policies and investments. A harmonised accounting approach will provide financial institutions with a basis for achieving the goals of the Paris Agreement. Comparable climate emissions data is important to the development of sustainable investment products and credit risk management, among other things. Detailed descriptions on the calculation of each asset class' emission are presented on page [61](#).

We continuously evaluate our sustainability-linked commitments and memberships. At the end of 2023, we left the Equator Principles initiative, which is an international framework for assessing environmental and social risks in project financing. We judged that the benefits of the membership were very minor due to our minimal project financing operations. We also considered the membership to overlap with our current operating model in which we internally assess projects from the ESG perspective. According to our evaluation, abandoning this commitment will not increase the ESG risks associated with any project financing we may provide.

Sustainable products are at the core of our sustainability work

We will achieve our emissions reduction targets together with our customers. We offer sustainable financing products as a primary option for suitable projects, identify eligible customers planning green investments, discuss emissions reduction targets with our customers, and encourage and direct competence development with corporate customers.

OP Financial Group is Finland's largest provider of corporate loans, and one of its goals is to promote the sustainability of Finnish society. We work towards this goal by using sustainable finance to support our customers in reaching their sustainability goals. Simultaneously, we also progress the implementation of our own sustainability goals.

In addition to the financing solutions presented in the right corner of the spread, OP Corporate Bank's Green Bond Framework identifies sustainable targets, and the appropriate funds gained through a green bond are allocated to sustainable corporate finance. Suitable projects in line with the framework include projects related to renewable energy, energy efficiency, transmission of energy, environmentally friendly construction, pollution prevention and control (including sustainable water management), environmentally sustainable land use and clean transportation. The annual OP Green Bond Report and other documents relating to green bonds are available on OP Financial Group's [debt investors pages](#).

When setting sector-specific emissions reduction targets, we assess the relevance of the sector based on financed emissions, size of the loan portfolio and international commitments. In the energy sector, we strongly

We offer our customers a range of different sustainable financing solutions:

Green loans are used for operations that have positive environmental impact, and we expect the company to provide us with data required for reporting the effects.

Sustainability-linked loans can be used for general corporate purposes.

In green asset-based solutions, the funds must be used to buy assets with a clearly defined and positive environmental impact.

Sustainable supply chain financing is meant for companies that are committed to developing the sustainability of their supply chains (procurement and sales). Sustainable supply chain financing is tied to selected and reported sustainability measures, which help the client and its partners reach their sustainability goals.

Green and social bonds are used for financing activities with a positive environmental or social impact.

The proceeds from sustainability-linked bonds can be used for general corporate purposes. The company is expected to provide reporting in line with the agreed sustainability targets. In 2023, OP Corporate Bank successfully acted as advisor to its corporate customers in five sustainable finance frameworks.

The green commercial paper programme is carried out as part of the green finance framework. The uses of funds are defined, and they must have a positive environmental impact. Reporting is performed according to the framework.





support companies' financing for the green transition. We encourage companies to make plans and take action to transition towards lower-emission energy production. In agricultural finance, we will give priority and pricing benefits for projects which clearly commit to an emissions reduction programme implemented together with the manufacturing industry or some other sector. In home loans, we will assess various ways in which we can promote energy-efficient building and renovation. For example, our owner-customers might in the future get benefits for loans that meet certain energy efficiency criteria.

At the end of 2023, 87.7% of OP's funds were funds that promote ESG characteristics (EU regulation on sustainable finance, article 8) or funds aimed at making sustainable investments (SFDR, article 9). Of our sustainability-themed mutual funds, OP-Sustainable World, OP-Climate, OP-Clean Water and OP-Low-carbon World have in total seen a 114% rise in the number of unitholders over the last three years. In addition to these funds, we bolstered our set of sustainability-themed funds with the new [OP-Sustainable Wellbeing fund](#), which focuses on social themes. The fund's investment operations pay attention to the principles of sustainable development, placing a particular emphasis on social themes. The fund invests in companies whose business supports the sustainable wellbeing of people and society or which are an exemplary employer in terms of social issues.

Our index and target return funds are also sustainable. Five of our index funds (OP-America Index, OP-Europe Index, OP-World Index, OP-Asia Index and OP-Nordic Countries Index) have tracked the ESG index ever since 2020. In 2023, our index funds started using MSCI ESG Screened indexes derived from parent indexes that follow the ESG criteria

more strictly. Along with the index change, climate aspects became part of our index funds. In addition, our funds take more comprehensive account of controversial industries, and biodiversity and offences discovered in companies' supply chains will be considered on a more extensive basis. Target funds, too, place greater weight on companies that integrate ESG risks better than their peers, and target funds avoid investments in controversial sectors. Assets under management invested through responsible investment funds totalled EUR 27.2 billion (13.0) at the end of 2023.

OP Life Assurance Company's 2023 goal was to increase the share of sustainable options in our range of investment opportunities for insurance policies and the share of sustainable investments in the investment operations of OP Life Assurance Company. Of the investment options we offer to customers, the OP-Conservative, OP-Moderate and OP-Brave investment funds, the OP-Private Strategy funds and the OP Premium investment baskets managed by OP Life Assurance Company are in line with EU's Sustainable Finance Disclosure Regulation. These have all been categorised as investment options compliant with article 8 of EU's Sustainable Finance Disclosure Regulation. In all our fund assets, the proportion of unit-linked sustainable funds linked to insurance assets rose to 82% at the beginning of December 2023 as a result.

Pohjola Insurance's insurance products support climate change adaptation, and climate risks and other factors set by the EU Taxonomy have therefore been considered in the company's product design. The modelling of climate risks is being developed further and modelling-related skills have been reinforced. In future, we will make more use of modelling results in business operations and product development. The number of products in line with the

Green Bonds

Green Bond
(issued in 2019)
500
€ million

Green Covered Bond
(issued in 2021)
750
€ million

Green Senior Non-Preferred Bond
(issued in 2022)
500
€ million

Green Covered Bond
(issued in 2022)
1,000
€ million

Green finance

Green loans, sustainability-linked loans and credit limits
6.6
€ billion

EU Taxonomy risk modelling has been made one of the company's indicators for 2024. Pohjola Insurance continues the development of products in line with EU's taxonomy criteria in other respects as well. Pohjola Insurance is committed to the UN Principles of Sustainable Insurance PSI. We report on the implementation of the principles on an annual basis.

In March 2023, we also launched [a green loan product](#) for SME customers and housing companies. The loan is intended for investments made to reduce environmental impacts, and it adheres to OP Corporate Bank's Green Bond Framework. Housing companies, in particular, have welcomed the green loans for investments related to renewable energy, electric vehicle infrastructure and energy renovations. At the end of December, green loans granted to SMEs totalled EUR 62 million.

In March 2023, we launched three different [EIF risk sharing guarantees](#) for the Finnish market in cooperation with the European Investment Fund (EIF). The guarantees are intended for SMEs and housing companies investing in sustainable development and innovation. Read more on page [14](#).

In August 2023, we set [sector-specific emissions reduction targets](#) for three sectors, which account for more than 90% of the emissions of OP Financial Group's credit portfolio. Read more on page [27](#).

In September 2023, OP Markets brokered its first ever green commercial paper. OP Financial Group also launched sustainable supply chain finance in September to encourage our supply chains to more sustainable operations through sustainability-linked financing.

Interest in sustainability-themed bonds is on the rise. Four of our bonds are green: the EUR 500 million green bond

(2019) and EUR 500 million green senior non-preferred bond (2022) issued by OP Corporate Bank and the EUR 750 million green covered bond (2021) and EUR 1 billion green covered bond (2022) issued by OP Mortgage Bank.

OP Financial Group's biodiversity roadmap

In December 2023, OP Financial Group published a [biodiversity road map](#) that includes the measures we use to promote biodiversity at OP Financial Group. Our aim is to create a nature positive handprint by 2030. By 'nature positive', we mean that our operations will have a net positive impact (NPI) on nature. The significance of biodiversity to the financial sector will increase in the next few years, and supervisory authorities, stakeholders and customers will expect us to take biodiversity into account.

We want to be a pioneer in promoting biodiversity and to urge other actors, too, to take action for nature. We engage in biodiversity analysis from the climate, water sustainability and circular economy perspectives. The road map consists of the following parts: competence development, assessment of impacts and dependencies, measures, collaboration with stakeholders, and reporting. Competence development and the assessment of impacts and dependencies are important bases for our nature work. The road map contains measures for sustainable corporate finance, investment funds, insurance companies, agriculture and forestry, OP cooperative banks and procurement.

In terms of sustainable corporate finance, we aim to increase our financing of nature-positive projects and support our corporate customers in their efforts to reduce their adverse impacts to biodiversity. Through this type of incentivisation, we can turn biodiversity risks into



Approved in 2023, our biodiversity roadmap enables us to create a framework for promoting biodiversity. The aim is to create a nature positive handprint by 2030.

opportunities and improve the availability of, for example, raw materials. We will follow a group of target-setting companies and its performance in key sectors identified in our credit portfolios. We will discuss biodiversity goals with 200 of our most significant corporate customers, measured by exposure.

Investors have also woken up to the risks associated with nature loss, and biodiversity degradation has become a major theme alongside climate change. The key matters in investment fund measures are developing ESG analysis, preventing global deforestation with a collective engagement initiative, publishing nature risk data regarding funds, using exclusion criteria, and promoting environmentally sustainable management of living natural resources in funds.

Our insurance companies (OP Life Assurance Company and Pohjola Insurance) takes biodiversity into account in investment operations, and taking biodiversity into account is also investigated in the product development of farm and forest insurance, corporate customer selection and claims settlement of Pohjola Insurance's products and services. Pohjola Insurance's claims settlement has already taken a major step forward by re-using high-quality spare parts sourced from redeemed vehicles in cooperation with a leading circular economy operator within the car sector. Nature risk data is published of the investment options offered to OP Life Assurance Company's insurance savings customers, and we aim to provide an analysis of the dependencies of certain funds on nature capital and ecosystem services. We also aim to increase the selection of investment options that comply with EU's sustainable finance regulation.

In agriculture, one method of improving biodiversity is regenerative agriculture. We will support regenerative

agriculture using a loan product we have developed that will support and encourage investment by our agricultural customers in developing the nutrient cycle in fields and reducing the degradation of water bodies, for example. As for forestry, we will cooperate with landowners and the forest industry to promote the planning of nature restoration and catchments. Influencing through information and participating in the forest industry's development projects are an important part of our role.

Locally, biodiversity can be promoted with various projects OP cooperative banks organise either independently, together with their customers or by supporting local partners and projects. We will take account of biodiversity-positive purchasing criteria in purchasing plans in key categories. As a large purchaser, we can influence through our supply chain, for example via partners that promote the circular economy.

Biodiversity-related impacts and dependencies can give rise to physical or transition risks. The flip-side of risks are new opportunities, which we can create for our company and our customers by acting as a pioneer in understanding and harnessing the impacts of biodiversity. In future, we will report on the progress of the road map measures as part of our sustainability reporting. We will update the road map as necessary, and as the frameworks and methods develop, we will be able to set more detailed goals.

Circular economy in Pohjola Insurance Claims Settlement

There are many ways sustainability and the circular economy are visible in Pohjola Insurance's Claims Settlement. Our 2023 goal was to increase the share of circular

economy in Claims Settlement in comparison to 2022. Our Vehicle Insurance Claims Settlement helped its repair shop partners increase operating models that promote the circular economy by encouraging them to repair damaged parts and windscreens whenever possible, keeping traffic safety and the parts' high quality in mind. In 2023, the repair percentage of all damage to the metal body of passenger cars was 53%, to plastic bumpers 37% and to windscreens 42%.

We also strive for growth in the recycling of damaged vehicle parts. The use of reclaimed spare parts accounted for 3% of vehicle repairs in 2023. Together with Autocirc Finland Oy, Pohjola Insurance began a [pilot project](#) related to recycled spare parts in which redeemed vehicles are dismantled into spare parts for re-use. The goal of the pilot is to significantly increase the share of reclaimed spare parts used in the future. These quality-controlled reclaimed parts will be used in a targeted manner by Pohjola Insurance's repair shop partners.

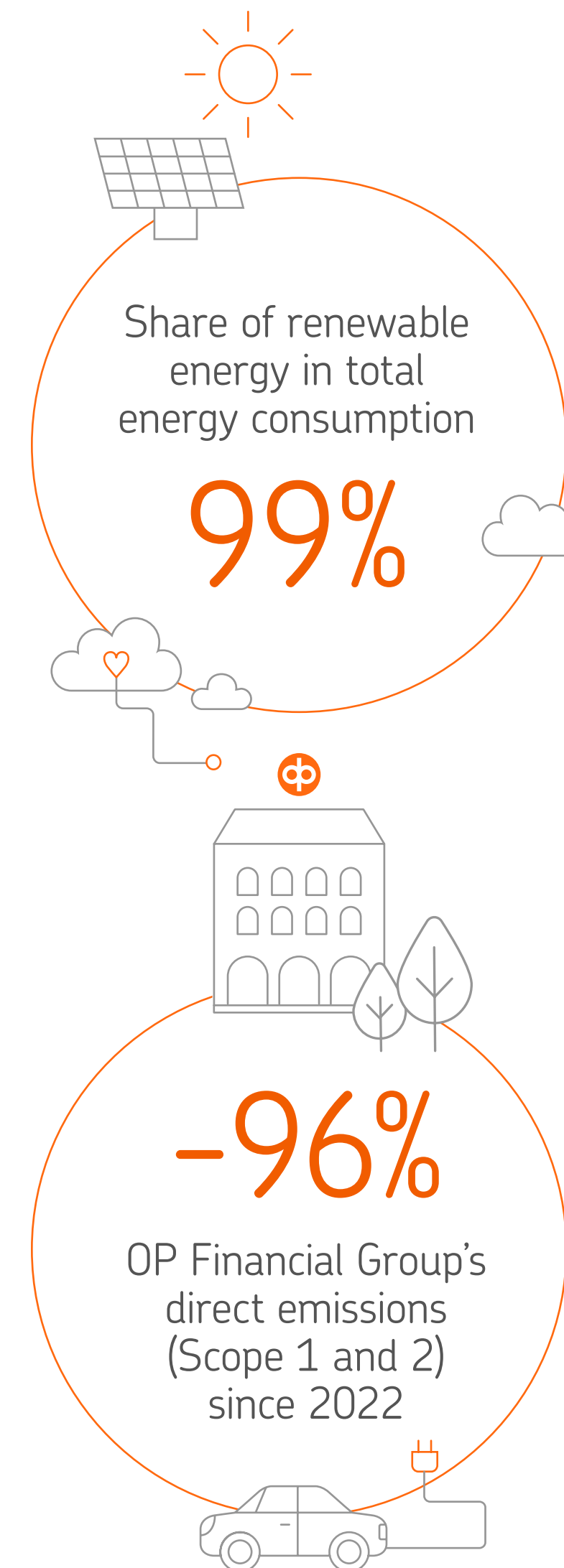
We also implemented methods related to the circular economy as part of our business operations in the claims settlement of other property. We closely monitored the development of the repair rate of, for example, mobile devices and discussed the factors affecting the rate with our partners. In 2023, our repair partners' repair rate of mobile phones was 54% of all mobile phone losses processed by our repair partners. Pohjola Insurance's other partners in compensating losses to movable property under property insurance also repair devices and ensure the appropriate recycling of the product. In 2023, we increased our cooperation with our partner in redeeming salvage, so that even more redeemed salvage could be re-used.

A carbon neutral OP by 2025

OP Financial Group's goal is to make its own operations carbon neutral by 2025, which means not producing emissions from the energy and fuels that we use (Scope 1 and 2). Scope 1 and 2 emissions include emissions from the oil used by heating and stand-by generators, district heating, district cooling as well as electricity. Our aim is to minimise our energy consumption. For this purpose, we have built an energy management system which provides us with more detailed information regarding our properties' energy consumption and emissions. We have adopted an energy saving checklist for our internal use to assess our opportunities for saving energy and to record observations into our energy management system. We have increased energy efficiency competence by providing facts and arranging joint training courses with our partners.

Increasing the use of renewable energy plays a key role in reaching our goal. We will continue to increase renewable energy's percentage in both the electricity and district heating we purchase. For purchased electricity, we have bought Finnish wind power. We have also increased – and will continue to increase – our own production of renewable energy using solar panels. We have changed the heating method or assessed our opportunities to change the heating method to solutions utilising heat pumps in the about ten oil-heated business locations we have. The share of renewable electrical energy of our 2023 electrical energy consumption was 99.8% (53) and the share of renewable thermal energy was 98.8% (46).

Management with data plays a key role in minimising emissions. We use reports for energy and environmental management to monitor the energy consumption of our



business locations and our emission trends. In addition, the environmental management of some of our business locations is based on the WWF Green Office system. Emissions from OP Financial Group's own operations (Scope 1 and 2) have decreased by approximately 99% since 2011 (2011: 34,847 t CO₂e). In 2023, direct and indirect emissions (Scope 1 and 2) totalled 282 CO₂e tonnes (7,156).

Climate-related and environmental risk analysis

Climate change impacts real estate in many ways. Extreme weather phenomena, such as floods, storms and drought, may damage buildings and infrastructure. Rising sea levels may threaten properties in coastal areas if not properly prepared for. Curbing climate change is therefore important not only for the environment but also for securing the value of properties. Energy-efficient buildings and sustainable building materials can help reduce the carbon footprint of properties and increase their weather-resistance. As a property owner, OP should therefore take the impacts of climate change into account and strive to make sustainable choices to prepare for future challenges.

In 2023, we carried out a climate and environmental risk analysis on the residential property we use in our banking operations. The analysis investigated the risks of forest fires, freshwater floods and storm water floods and their potential repair costs. The results of the analysis show that the risks of forest fires, freshwater floods and storm water floods caused in Finland by climate change will increase by 2050 but that on a general level, the risks are small. According to the analysis, the storm water flood risk has already been observed to have increased, and the risk is rising due to heavy rainfall caused by climate



change. As for repair costs, the total cost impact of climate and environmental risks will remain small due to our large number of properties, as the risks covered by the analysis do not apply to the majority of our properties.

UN Climate Change Conference (COP28)

In late 2023, OP Financial Group attended the COP28 UN Climate Change Conference together with other Finnish companies representing various industries. The goals of the first-ever Finnish pavilion in the Conference was to highlight Finnish companies' solutions and Finland as the cutting edge of green technology and to support climate change negotiations with pioneering companies. The role of financing in promoting the green transition and implementing the Paris Agreement was one of the most frequently discussed themes at the climate change conference.

We hosted two discussion events at the climate change conference. The discussion we hosted with Outokumpu handled the financing of the green transition, and the discussion we hosted with Neste, Valio and the WWF considered ways for companies to encourage their value chains towards a fossil-free future. As Finland's largest provider of corporate financing, we are able to clearly witness companies' interest in the green transition: the green transition is the largest single area to which new financing is being directed. According to our [Survey of Large Corporations 2024](#), more than 53% of large companies will change sub-contractors or suppliers in the near future due to tightening sustainability obligations. We believe that cooperation between the parties involved in the same supply chain will become increasingly significant in the future when business operations encourage sustainable choices.

We controlled around 130,000 hectares of forest estates in Finland in 2023, which makes us the fifth largest forest owner in the country.



Property investment

In 2023, OP Real Estate Asset Management Ltd was the seventh largest property investor in Finland, measured by the market value of its direct property investments, which amounted to around EUR 4.0 billion. This includes more than 6,873 rental apartments and 123 nursing and commercial properties, 115 rented plots and 55 property and debt fund investments managed by OP Real Estate Asset Management. In addition, OP Real Estate Asset Management holds 130,000 hectares of forest through its funds and is the fifth largest forest investor in Finland.

The consideration of sustainability and ESG factors has been integrated into all of OP Real Estate Asset Management's operations, including investment decisions. OP Financial Group's Principles for Responsible Real Estate Investment take account of the UN Sustainable Development Goals. In 2023, OP Real Estate Asset Management Ltd participated in the Global Real Estate Sustainability Benchmark (GRESB) reporting with three of its funds.

OP Real Estate Asset Management Ltd is committed to promoting carbon neutrality in its property investment operations. Its sustainability targets include carbon neutral energy by 2030 and carbon neutral construction by 2050. In 2023, OP Real Estate Asset Management's properties were equipped with a total of 36 solar farms and 33 geothermal heating plants or air-water heat pumps. Since 2020, all the electricity we purchase has been produced with renewable energy.

100% of the forests we manage are PEFC certified (Programme for the Endorsement of Forest Certification), in addition to which around 65% are FSC certified (Forest Stewardship Council). The aim of the forest investment sustainability programme is to secure biodiversity and to mitigate climate change by improving the ability of forests to sequester carbon.



People and communities

Social responsibility and supporting local communities have been a key part of OP Financial Group's mission and responsibility since the foundation of the first cooperative credit societies. We have been an active part of the Finnish society for over 120 years.

Responsible employer

Highly skilled, motivated and satisfied personnel is one of our strategic priorities. The world is currently characterised by uncertainty, and this highlights the need to constantly develop our skills to meet the requirements of our changing operating environment. We encourage our employees to fulfil OP Financial Group's mission by working autonomously, flexibly and from multiple locations. OP employees consider this a strength and a factor that supports wellbeing at work.

Our vision is to be the leading and most appealing financial services group in Finland. Our values – people first, responsibility and succeeding together – give meaning to our work and guide our daily work. In a changing operating environment, new approaches and continuous learning are important success factors made possible by a work community that sees the diversity of personnel and our individual differences as strengths. The significance of sustainability and corporate responsibility is also becoming increasingly emphasised in our business operations, and it challenges us to continuously evaluate and develop our operations.

Responsible employee skill development

We strive to develop the competencies of our employees by including learning in their daily work. Our agile and self-managed method supports continuous learning in daily work. In accordance with the method, we aim to follow the 70–20–10 model in which around 70% of learning takes place in daily work, 20% while performing joint assessment and development and 10% while deepening one's own competence – such as participating in training. Continuous learning in daily work is supported, for example, by guilds, which are learning communities built around specific professional competence areas. OP Financial Group's central cooperative currently has 26 guilds focused on different subjects, such as corporate responsibility, cybersecurity and modern knowledge work. In 2023, one of our most popular learning communities was the Learning Guild.

In addition to learning in daily work, we offer varied training courses and coaching for competence development. Of these, OP Software Academy, which offers courses on technological skills, has been among the most popular for few years. In 2023, 1,177 participants signed

Relevant policies and commitments –

People and communities

OP Financial Group's Human Rights Statement and Human Rights Policy

ILO Declaration on Fundamental Principles and Rights at Work

UN Global Compact Initiative

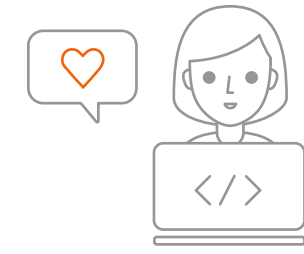
Read more detailed descriptions of our [commitments](#).

up for it. In addition to joint training courses and coaching, we also use, for example, mentorship programmes to develop our employees' competencies according to role and business unit. This way, we are able to ensure the maintenance of competencies related to, for example, insurance work or customer service and the continuous development of the required professional skills.

Regulation related to our sector is constantly changing. We ensure the development of the regulation-compliant competencies of our employees using a wide range of online training courses, for example. Topics handled by the training courses include anti-financial crime, credit risk management and sustainability and corporate responsibility. The courses are available to all OP Financial Group employees and the bank boards.

During 2023, we carried out an extensive pre-analysis aimed to identify the skills and competence areas that are the most critical for our success. By recognising competence needs, we aim to make sure that we will be able to offer better assistance to our customers in various situations, regardless of role and work task. Recognising competence needs also allows us to enable the systematic development of our employees' competence in a responsible and sustainable manner.

Internal mobility within OP Financial Group refers to the movement of employees from one work task to another within the Group to increase competence and open new career opportunities. We use multiple forms of internal mobility, and we encourage our employees to make varied use of these forms. In 2023, we promoted experience-based learning with three pilot projects (Pankin Pulahdus, Vakuutusvaihdolla tutuksi, Osaamislaina), which investigate the option of creating methods more



People and communities Sustainability programme goals

We will foster a diverse, inclusive and non-discriminatory culture

We will promote the wellbeing of our local communities

We will support the management of personal finances and improve financial literacy

We will help customers with special needs to manage their finances

We will identify the impact of our operations on human rights



lightweight than job rotation as alternatives for competence development.

Based on the results of the employee survey carried out in late 2023, most employees felt that they were able to learn continuously in their work (total score of 4.08/5 among OP Financial Group employees). The result has been steadily growing in the past few years. In 2023, an average of 15 (15) training hours per employee were recorded.

Supporting employee wellbeing is important in a rapidly changing world

Our hybrid work principles guide the way our work communities and teams plan and implement hybrid work in practice. Surveys tracking employee wellbeing show that OP employees feel that hybrid work, the option of remote work and flexible work support wellbeing at work. We have further developed the ability of our managers to manage employees' work ability and wellbeing in hybrid work. In strengthening our managers' skills, we especially invested in their ability to bring up challenging situations and the development of new managers' work ability management skills.

We track the feeling of stress through regular pulse surveys and as part of the health questionnaires performed by occupational health care. We have continued to reinforce every OP employee's means to track their wellbeing and use the tools available to manage themselves and their own wellbeing. Our employees actively use varied, low-threshold mental health services and employer-provided psychotherapy services, which are included in the health insurance available to our employees. Employers' safety obligations were more closely defined in the

In 2023, an average of 15 training hours per employee were recorded.

amendment to the Occupational Safety and Health Act that entered into force in 2023, the purpose of which is to foster coping at work for people who have reached the age of 55. Based on employee surveys and other data that tracks wellbeing, OP employees aged 55 or over consider their work meaningful, energising and inspiring, and their ability to work is at a good level.

In 2023, sickness absences accounted for 3.2% (3.6) of regular working hours. The 'health rate' (percentage of personnel with no sickness absences) has risen back to the level before the pandemic and is now 39% (37) of all personnel. During the year, long absences were prevented by implementing work ability projects that support coping and work ability. The active use of partial sick leave to support the return to work has played an important role.

The leadership experience survey supports those working in leadership roles

Supportive, high-quality leadership is the basis of success at work and in our operational revamps. In 2023, we developed a leadership measurement survey that suits our ways of working. It emphasises joint leadership and encourages self-management in teams. OP has various types of leadership roles, and, with the exception of statutory managerial obligations, leadership is not personified



only by a manager. Like in traditional leadership surveys, we assess OP employees' general experiences of leadership. What is new about our survey is that we also monitor the experiences of those working in leadership roles about the functioning of management methods, leadership-related teamwork and management support. Our aim is to receive an overview of the state of leadership and develop leadership to better support our agile, self-managed operating culture. In our empowering operating culture, the development of leadership involves everyone – not just managers and leaders. The leadership experience survey was tested in summer 2023 and the survey was carried out for the whole central cooperative at the end of the year. We will begin using the results in early 2024.

We are strengthening OP Financial Group's diverse, equal and engaging work culture

In our sustainability programme, we commit to fostering a diverse, inclusive and participatory culture. When everyone can be themselves at work and feel like a part of the community, they are more content, feel better and are more committed to their work. In 2023, we organised diversity workshops and training for recruiting managers. Our clientele is also constantly changing. To understand our customers' needs – and to serve them in the best way possible – the diversity of our own personnel and governing bodies must reflect the surrounding society even better than before. Our shared values – people first, responsibility and succeeding together – lay a good foundation for this.

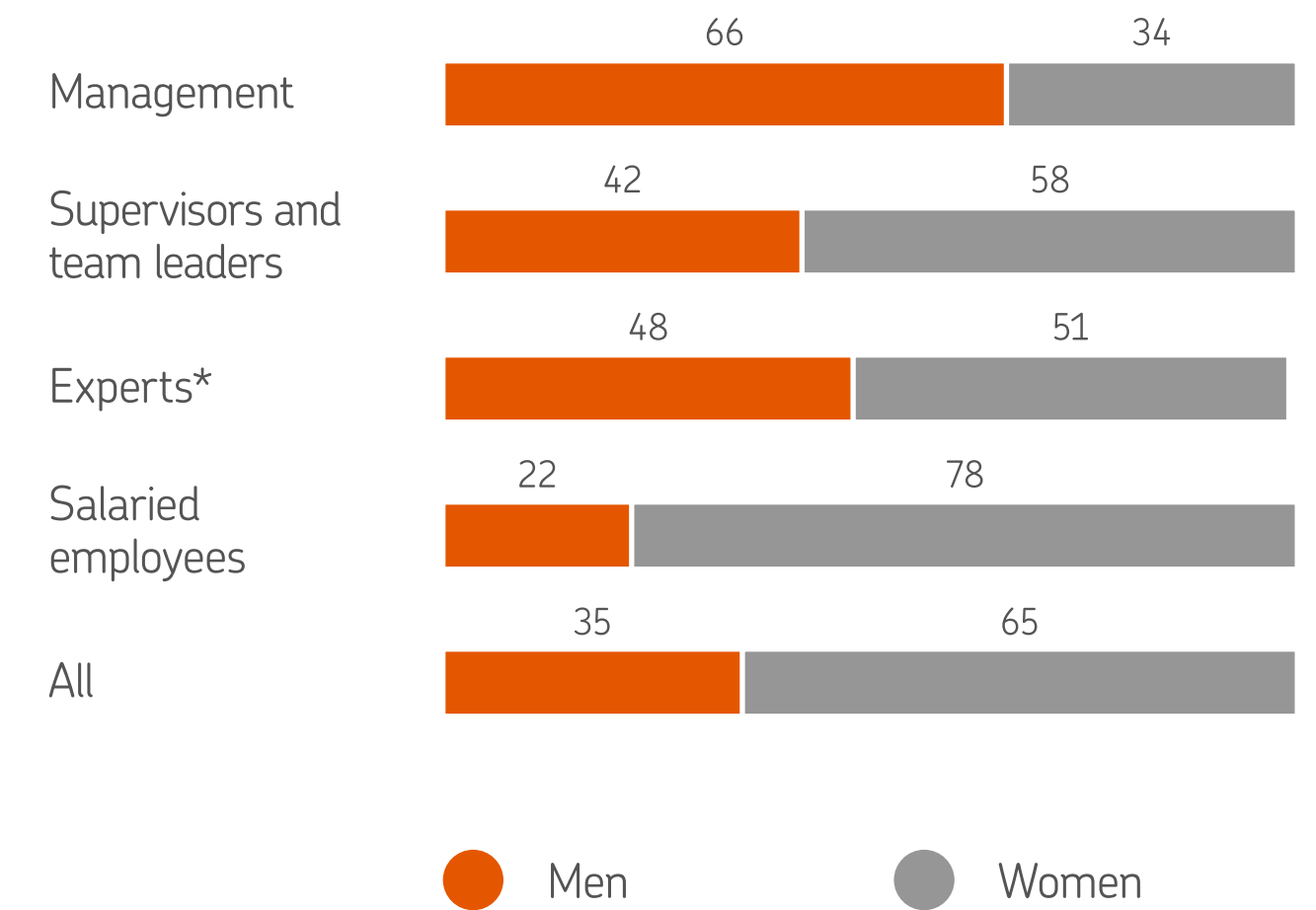
In 2023, we supported the experience of diversity, equity and inclusion in several different ways. For instance,

we sought to encourage OP employees with children to use their family leaves more evenly in accordance with the 2022 family leave reform and celebrated Diwali, the Festival of Lights, for the second time. Through Diwali, we brought OP employees together to learn more about the culture and traditions of India. At the end of 2023, OP Financial Group employed 761 professionals with Indian background, and in addition, we have several thousand Indian colleagues through various partnerships.

In 2023, the employees of OP Financial Group represented a total of 41 different nationalities and 24 native languages in addition to Finnish and Swedish. Our personnel fell into the following groups based on age: 19% aged under 30, 28% aged 30–39, 26% aged 40–49, 18% aged 50–59 and 9% aged 60 or over. Of our entire personnel, 65.0% were women, 34.6% men and 0.4% other genders. In accordance with our sustainability programme, we aim to employ 2,000 young people each year. In 2023, we hired more than 500 summer employees, and in addition, 92 higher education students participated in the [Kiitorata trainee programme](#). We also employed more than 2,000 young people through the [Summer Jobs Paid for by OP campaign](#).

Based on the results of our employee surveys, psychological safety – the feeling that your team accepts and values you as who you are – is at a good level at OP Financial Group. The result has been developing in an increasingly positive direction as long as the current survey has existed. In the first quarter of 2023, the result was 4.27 and in the third quarter, it was 4.34 (on a scale from 1 to 5). In 2023, we also measured psychological safety in relation to immediate and upper management for the first time. The results of these surveys reflect a

Workforce by personnel group and gender, %



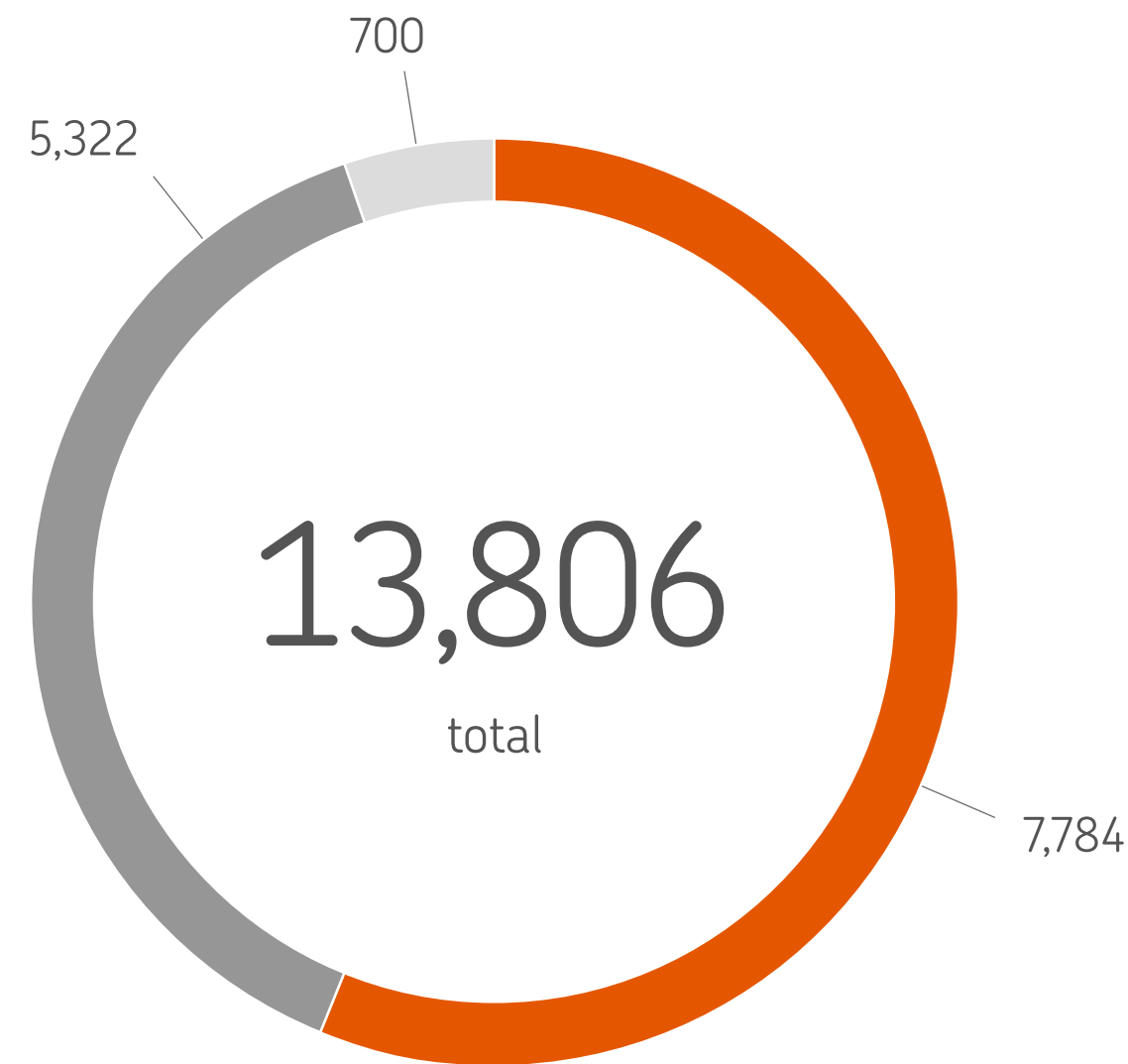
* The rounding-off difference is due to the other or missing data category.

general trend in companies – the experience of psychological safety decreases by stages when moving away from one's own team. We recognise the subject area as an important theme that should be continued to be measured and developed.

OP Financial Group is a valued employer

OP Financial Group remains Finland's largest employer in the financial sector. Most of our employees work in customer service positions in banking and insurance and in OP cooperative banks across Finland. The rest mainly

Personnel by organisation



- Central cooperative consolidated
- OP cooperative banks
- OP Koti (real estate agents)

Our key indicator of employee experience and the Employer Net Promoter Score (eNPS) were at a very good level in the employee survey carried out in 2023.

work in various specialist and executive positions in business functions and the centres of excellence that support those business units. OP Financial Group's vacancies are always available to all OP employees interested in expanding their competencies and seeking new career opportunities.

Due to work tasks that are versatile, varying and directed to different personnel groups, OP Financial Group is an employer valued by both professionals and students. In the employer image survey conducted by Universum in 2023, we were the most attractive employer in the financial sector among the professionals and students of the commercial and IT sectors. The most important criteria listed by the Universum survey were our competitive salary, flexible working conditions, friendly working atmosphere and culture that respects employees. OP Financial Group was also selected as the employer brand of 2023 in [Rekrygaala](#) hosted by Duunitori. The record number of applications we received for our 2023 Kiitorata trainee programme is also a sign of our attractiveness.

Our sustainability programme describes our social responsibility related goals, which cover themes related to both employees and customers. We can see that our commitment to the promotion of social responsibility has a positive impact on employer branding among our own employees. Our employee surveys also indicate that meaningful work, working together, using our different strengths, learning new things, developing operations and flexible work have positive effects on the employee experience. Our key indicator (The Drive index), which monitors this experience, and the Employer Net Promoter Score (eNPS) were at a very good level in both employee surveys carried out in 2023: our Drive index score was 3.9



and eNPS 40. Our work culture enforces our agile method based on self-managed multi-skilled teams and enables success at work and competence development.

We promote the wellbeing of our local communities

Supporting vitality and communities both locally and nationally has been a key part of OP Financial Group's mission and responsibility for longer than 120 years, since the foundation of the first cooperative credit societies. Supporting local communities improves the area's prosperity and economic development. Examples of our local corporate responsibility actions include promoting the wellbeing of children and young people, sponsoring cultural activities, improving financial literacy, and teaching digital skills to those needing special support. OP cooperative banks also carry out much of this work by supporting local organisations, for example. Combined with versatile digital channels, OP cooperative banks' network of branches and service outlets enable effective interaction with customers and the local community. At the end of 2023, the Group's member banks had approximately 289 branches and service outlets as well as 1,081 ATMs (shared between Finland's banks) around the country.

Wellbeing for children and young people

In 2023, we supported the wellbeing of children and young people with approximately EUR 4.5 million in donations and sponsorships. The donations were targeted at the hobby activities of children and young people and actions that promote youth financial skills and employment around Finland.

Investing in the wellbeing of children and young people is also important to our owner-customers, and in Autumn 2023, we asked them what corporate responsibility actions they would like their OP cooperative bank to perform. Supporting hobbies for children and young people, reinforcing digital literacy among the elderly and improving financial literacy among children and young people emerged as the most important themes on the national level. We carried out the questionnaire for the third time in 2023 and received a record-breaking 49,000 responses.

At the national level, OP Financial Group is the Finnish Olympic Committee's main partner in promoting children's club and physical activities. The idea is to improve opportunities for physical activity in Finland, particularly among children, which is also an important aspect of Pohjola Insurance's work.

Through our nationwide network of OP cooperative banks, we are among Finland's largest sponsors of culture and sport. By cooperating with clubs and forming partnerships with other actors, OP cooperative banks supported the hobby opportunities of 254,000 children and young people.

Promotion of sport and exercise forms an important part of Pohjola Insurance's sustainability and corporate responsibility work. We support physical activity among children by cooperating with sports federations. We aim to support

With our Summer jobs paid for by OP campaign, we provided non-profit organisations across Finland with the opportunity to employ more than 2,200 young people.

a range of physical activities and to encourage children around Finland to become involved in clubs.

Our Sports Advisor service helps to prevent typical sports injuries by providing guidance to sports clubs and coaches. In 2023, more than 2,800 coaches training children and young people used the Sports Advisor service. The feedback we received on the activity was very positive. The respondents of the feedback survey considered Sports Advisor visits beneficial to the club and felt that they improved coaching.

In addition to supporting sport, our Summer jobs paid for by OP campaign offered companies around Finland the chance to employ 2,200 young people around Finland in 2023, and the Backpack for every back campaign we organised with Hope ry collected more than 2,800 bags for school children.

In addition, Pohjola Insurance and several OP cooperative banks are the main partners of the Children and Youth Foundation's Dreams project in 2022–2024.

We support the management of personal finances and improve financial literacy

In line with our brand vision, we want to coach our customers in making better financial choices, pointing the way to futures filled with hope. Managing personal finances is a key life skill. We help people to improve their financial literacy and manage their personal finances. In 2023, we strengthened the financial literacy of more than 91,000 children and young people. Our financial literacy work is based on visits by OP cooperative bank representatives to schools and educational institutions, and open days at banks, during which we meet children and young people



around Finland. At the end of 2023, we established a diverse group consisting of young people aged 15 to 19. The purpose of the group is to help us consider and solve the question of how financial literacy and information could be shared with young people. In addition, OP's own Hippo character has helped parents to teach children about responsible spending ever since the 1970s. Hippo stories are also available on Spotify.

In addition, we are in long-term cooperation with several different organisations. The Investor Academy, Bisneskurssit (business courses) and entrepreneurship-related content lead by Junior Achievement (JA) Finland reached a total of 12,693 young people in 2023. We are one of the partners of the banks' joint financial literacy project ("Taloustaito") organised by the Helsinki Deaconess

Foundation and the Financial Literacy Competition arranged by the Association for Teachers of History and Social Studies (HYOL). OP cooperative banks support and participate in Yrityskylä business villages for comprehensive school pupils in Jyväskylä, Pori ja Rovaniemi. As part of our partnership with Olympic Team Finland, OP Uusimaa piloted financial literacy training in Urhea academies in the Helsinki Metropolitan Area in 2023. 129 young athletes studying at the upper secondary level participated in the training.

The Money Management Services on OP-mobile help our customers better understand their own finances and improve their financial literacy. The My financial balance service summarises the income and expenses of the customer's finances, and Money Box helps the customer start saving even with smaller amounts of money. In September 2023, we added a functionality to OP-mobile that allows personal customers to track the accumulation of their employee pension. The new function also gives the customers a clearer view of their total assets and makes the management of finances easier.

In March, we published the [SME's Guide to ESG](#), which is part of the Financial coaching for entrepreneurs package, on the op.fi service. The significance of sustainability and corporate responsibility in the operations of SMEs continues to grow, and we want to support small businesses in this area. During the year, we invested particularly in coaching content that helps companies get started with sustainability work.

We help customers with special needs to manage their finances

Digital skills are central for the management of finances. We aim to promote the equity of the digital society by improving

the accessibility of our digital services and by instructing our customers in the fluent and safe use of digital services. We are constantly improving the accessibility and ease-of-use of our key online and mobile services. Our mobile services can be accessed by fingerprint login, for example, and our key code lists are also available in braille.

OP's guide for older people provides guidance for taking care of banking matters without a computer or a smartphone. The guide can be downloaded on the op.fi/older-people page or retrieved from a local OP cooperative bank. Representatives of OP cooperative banks teach digital skills to older people around Finland in bank branches, libraries, care homes and local events. We met with 26,000 people in digital skills sessions in 2023. In addition, we organised several digital guidance events and, in collaboration with Telia, two nationwide webinars regarding the safe use of online services and protection against scams.

Donations to support science, art and communities

OP Financial Group's charitable donations in 2023 totalled EUR 4.9 million. Our donations support hobbies for children and young people, promote the wellbeing and diversity of nature, support mental health care, support the management of personal finances and promote financial literacy. The supported charities include Save the Children Finland, SOS-Children's Villages Foundation, the Finnish Paralympic Committee, the John Nurminen Foundation, MIELI Mental Health Finland and the Taloustaito financial literacy project coordinated by the Helsinki Deaconess Foundation.



The [OP Financial Group Research Foundation](#) established by the OP Financial Group supports economic research. In 2023, the Foundation distributed a total of EUR 1.4 million in grants for economic research, funding the work of 54 researchers and research groups. A total of EUR 1.2 million has been granted to a special initiative launched in 2023, which is financed by the Foundation. The initiative brings together the knowledge and collaborative networks of three university departments researching the financial sector and financial institutions.

The [OP Art Foundation](#) continually supports music as a performing art by lending its highly valued instruments to young musicians. The Foundation also promotes Finnish visual arts and oversees a collection of roughly 3,000 works. [OP Ryhmän Historiasäätiö sr](#) (Historical Foundation of OP Financial Group) was founded in 2022. Its purpose is to cherish OP Financial Group's heritage, maintain and develop [OP Museum](#), and promote cooperative banking and its cultural legacy in Finland. In autumn 2022, a new OP Museum was opened in OP Vallila describing the history of cooperative banking and insurance in Finland from the beginning of the 1900s.

Together with several OP cooperative banks, Pohjola Insurance is involved in supporting e Children and Youth Foundation's Dreams programme, which aims to improve young people's wellbeing and faith in the future. The results of the Dreams cooperation have been excellent, and the activity has aroused excitement in schools across Finland. From autumn 2022 to the end of 2023, Dreams reached more than 50,000 young people and more than 3,600 teachers during 185 schools visits around Finland.



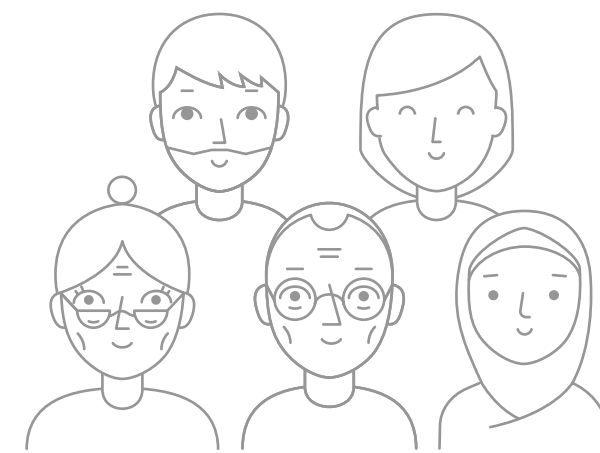
> We respect human rights in our operations

We published our Human Rights Statement and Human Rights Policy in 2023. OP Financial Group respects all recognised human rights, and the Human Rights Statement includes the requirements and expectations that OP Financial Group has set for itself and actors in its value chains. We are committed to remediation actions our operations cause adverse human rights impacts.

In 2023, we performed a human rights assessment concerning our operations. Our assessment identified salient and key human rights themes related to OP Financial Group’s business, personnel and supply chains. Assessment of the most salient human rights impacts was based on the impact assessment method presented in the UN Guiding Principles on Business and Human Rights (UNGP). The principles take account of the scale, scope, irrevocability and likelihood of human rights-related risks. Our internal stakeholders and external experts participated in the recognition and assessment of human rights-related risks.

OP Financial Group’s [Human Rights Policy](#) and [Human Rights Statement](#) are part of the human rights due diligence

We published our Human Rights Statement and Human Rights Policy in 2023.



set out by the UNGP. They describe the methods we use to carry out this due diligence. OP Financial Group uses a range of means to identify our salient adverse impacts on human rights and to prevent and mitigate them. We continuously review and monitor our operations to ensure that the measures we take primarily impact where intended. Through such measures, we prevent and mitigate adverse impacts, and intervene if impacts occur. Reporting on human rights impacts is included in sustainability reporting.

OP Financial Group has a range of human rights impacts and responsibilities, depending on the role in which the Group acts. We have identified various impacts to our employees, customer business operations and procurement as well as OP Financial Group’s operations as a service provider and a member of local communities. Our human rights policy describes these impacts and the means of preventing and mitigating adverse impacts in more detail.

Employee selection, remuneration, career development, training and general practices in the workplace must be characterised by the equal treatment of employees. We use an equal opportunity survey to monitor the realisation of equal and impartial treatment, on the basis of which we plan further measures.

We use ESG analyses performed in customer business to identify the ESG impacts of our customers or investment options, including human rights impacts. OP Asset Management closely scrutinises investments for international norm violations on a quarterly basis. Since the primary goal of monitoring and analyses is to resolve observed human rights violations through dialogue and cooperation, our asset management operation utilises active ownership and engagement.

Customers must be treated equally and without discrimination, and the secure use of customer data is of primary

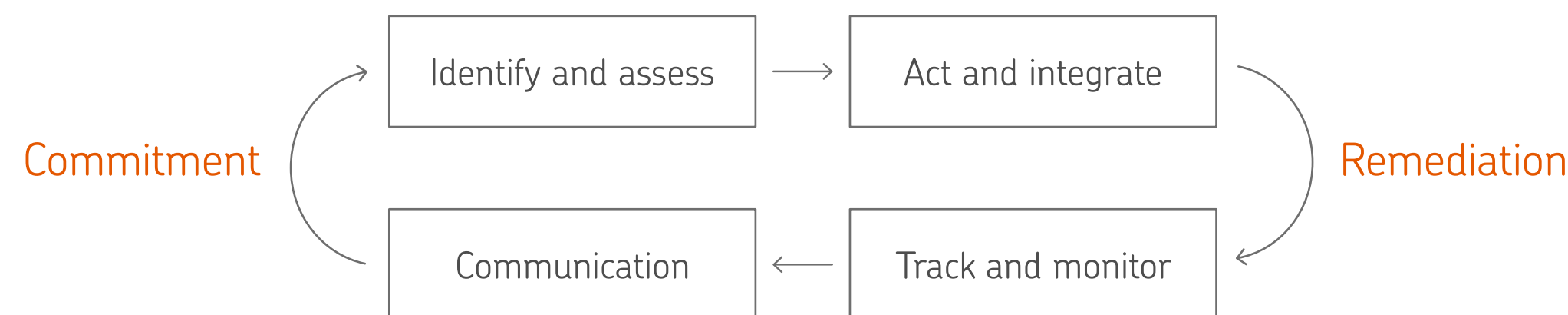
importance. We are constantly improving the accessibility of our services to give everyone equal opportunities to use our digital services, and we teach digital skills and provide guidance for the secure use of digital services. In addition, all OP employees annually complete courses related to information security and data protection.

In procurement, we require our suppliers of goods and services to comply with OP Financial Group’s [Supplier Code of Conduct](#), OP Financial Group’s General Procurement Terms and Conditions, and any applicable legislation and international agreements. Our Supplier Code of Conduct is binding on all suppliers and partners of OP Financial Group. It requires, for example, commitment to the International Labour Organization’s Fundamental Principles and Rights at Work and to respecting human rights in the supplier’s own monitoring and the monitoring of its subcontracting chains. We assess the supplier’s responsibility during supplier approval, tendering exercises and during the partnership. On a risk basis, we perform audits in which we analyse our suppliers’ commitment to our responsibility requirements.

We work in local communities to promote equal opportunities for financial and digital skills and hobbies, for example. Responsibility and respect for human rights are part of our sponsorship criteria, based on which we assess all potential sponsorship partners. Most of our sponsorship and donation activities are targeted at children and youngsters – we treat their wellbeing and rights as key priorities when we select partners.

OP Financial Group has channels for anyone who may experience adverse impacts of various kinds. This enables us to intervene at an early stage, prevent future human rights violations, and provide remediation for those who suffer from violations.

Human rights due diligence



Building Finland together

As Finland's largest financial services group, we maintain an open and continuous dialogue with various stakeholders. Stakeholder engagement is deeply embedded into our cooperative business model. Through this dialogue, one of the main principles and goals of our stakeholder engagement is to identify areas of development in the corporate responsibility work of OP Financial Group. Above all, our stakeholders expect openness and reliability from us. For them, we want to be a partner consistent with our core values and a reliable player.

In 2023, we set up OP Financial Group's new ESG forum. OP Financial Group's ESG forum allows us to better foster open dialogue with various actors, promote the important themes shared by us all and listen to the parties that may be impacted by our actions. The ESG forum brings together representatives of relevant stakeholder groups ranging from our owner-customers, employees, the environment and social responsibility to the different segments of the financial and corporate world. The opinions of the ESG forum's representatives are heard in joint meetings and collected by various questionnaires.





Corporate governance

Our operations are guided by our strategy, values, the needs of our customers and business environment, international commitments and regulation. By following the principles of good and responsible corporate governance, we make sure that we will reach our sustainability and corporate responsibility goals.

Corporate responsibility organisation

OP Financial Group's corporate responsibility activities are guided by the Group's strategy and values, the needs of customers and the business environment, international commitments, and EU and national regulation. Our responsibility goals and indicators have been specified in our sustainability programme. The Board of Directors of OP Cooperative (the central cooperative of OP Financial Group) approves the corporate responsibility policy and sustainability programme, and significant changes to them. The ESG Committee established by OP Cooperative's Executive Management Team prepares the Group's sustainability programme for the Board's approval, and tracks progress against the agreed targets. The progress of the targets is reported to the Executive Management Team on a monthly basis, and an ESG and sustainability review of current themes is presented to the Board each quarter.

OP Cooperative's Supervisory Council regularly reviews the Group's sustainability programme and monitors its implementation. The Supervisory Council also approves sustainability-related targets such as the emissions reduction targets and the biodiversity road map. OP Financial Group's

Responsibility and Remuneration Unit also assesses and promotes the implementation of OP Financial Group's values and mission, assesses the sustainability programme and monitors the implementation of sustainability and corporate responsibility matters in the operations of OP Financial Group.

In OP Financial Group's executive management, the person responsible for corporate responsibility is the Executive Vice President of Banking Corporate and Institutional Customers. Group-level ESG and Corporate Responsibility function is located in OP Corporate Bank plc. Its duties cover the whole OP Financial Group. The function is led by the Director of ESG and Corporate Responsibility, who reports to the Executive Vice President in charge of Banking Corporate and Institutional Customers, who in turn is responsible for corporate responsibility matters at the level of the Executive Management Team.

Corporate responsibility features regularly on the agendas of not only the central cooperative's Board of Directors and the Executive Management Team, but also the management teams of individual business divisions. The business units' ESG Managers and Specialists are responsible for day-to-day sustainability work and the implementation of the sustainability programme.

Relevant policies and commitments – [Corporate governance](#)

UN Principles for Responsible Banking (UN PRB)

UN Principles for Sustainable Insurance (UN PSI)

UN Principles for Responsible Investment (UN PRI)

Read more detailed descriptions of our [commitments](#).

OP Financial Group’s corporate responsibility policies and guidelines apply to all Group companies, including OP Corporate Bank, OP Mortgage Bank and OP cooperative banks. Leadership methods are subject to the same scrutiny as the Group’s general leadership practices. Targets and operating principles are revised when, for example, changes in the business environment require response. ESG work is strongly connected to collaboration with stakeholders. Its purpose is to find out which sustainability-related themes are important to the company’s most essential stakeholders. We have created a new OP Financial Group ESG forum to better listen to the opinions and expectations of the representatives of our important stakeholder groups.

Management reporting

A review of the topical sustainability and corporate responsibility themes is produced each quarter for OP Cooperative’s Executive Management Team and Board of Directors. The review includes, for example, a status report on the progress of goals and metrics defined in OP Financial Group’s sustainability programme, and reports regarding progress towards the targets set by regulatory expectations concerning the management of climate-related and environmental risks and by the ECB. The review also includes various analyses or scenarios of the business environment, if needed.

Group ESG is responsible for preparing the quarterly review and determining the themes that should be covered. Group ESG prepares the review in cooperation with business units and Risk Management. The action plan for climate-related and environmental risk management covers OP Financial Group’s data needs, the analysis of shortcomings, data specification and various data plans.



Corporate governance Sustainability programme goals

- We will integrate sustainability with all our business operations and risk-taking
- We will use data and artificial intelligence responsibly
- We will require our partners to commit to our Supplier Code of Conduct
- We will increase diversity in our governing bodies
- We will further improve the sustainability competencies of our personnel



The implementation of OP Financial Group’s sustainability programme’s indicators is monitored on the monthly basis and the progress is reported to the executive management.

Increasing sustainability competencies

One of the goals of our sustainability programme is to increase our personnel’s sustainability competencies. We have carried out many ESG-related study modules and training courses intended for our employees and bank boards. Particularly OP employees working in investment and insurance sales have also increased their competencies regarding responsible and sustainable investing. Regulation, regulatory supervision and our own policy priorities constantly set new competence and training requirements for various positions. In addition to training, we ensure that the competencies related to regulation are deepened and maintained by active communication and internal control.

We foster the diversity of our governing bodies the same way we foster the diversity of our personnel: by ensuring that candidates have a wide range of knowledge, skills and experience, and that each region, gender, and age group, as well as many different native languages, are sufficiently represented. Completing training on the sustainability programme during 2023 was mandatory for OP Financial Group’s personnel.

Risk Management and Compliance

At OP Financial Group, OP Cooperative’s Board of Directors is the most important decision-making body for duties related to risk management. OP Cooperative’s

Supervisory Council confirms the decisions by the Board of Directors that apply to OP Financial Group’s risk appetite. The Risk Committee of the Board of Directors assists the Board of Directors in performing duties related to risk-taking and risk management. Based on the decision by the President and Group Chief Executive Officer, the Executive Management Team has set up a Risk Management Committee, Steering and Compliance Committee and Banking ALM Committee that approve instructions and policy descriptions specifying the Risk Appetite Statement and the Risk Appetite Framework. The risk management-related tasks of various bodies are described in more detail in their respective charters.

Change factors in the business environment, such as technological development or climate change and other sustainability (ESG) factors, have an impact on the needs and preferences of customers and other social actors. Such factors are external megatrends – examples of root causes on OP Financial Group’s risk map. They are defined as change factors affecting different risk types, not as separate risks, in the risk identification processes.

Worsening climate change and environmental damage cause physical risk factors

Extreme weather conditions, such as events related to drought, floods and storms or, for example, an individual environmental catastrophe, are acute risk factors. Longer-term changes, such as global warming, rising sea levels, reduction in biodiversity, land and water pollution, and the destruction of living environments, emerge more slowly.

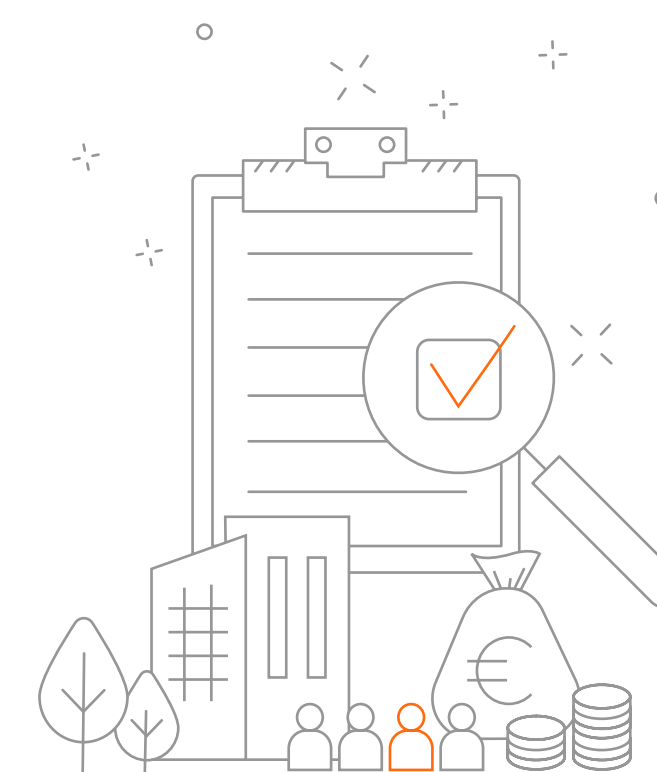
The transition towards a low-carbon and more environmentally sustainable economy will have direct and indirect

impacts. These include, for example, climate or environmental policy decisions, technological development, market confidence, and changes in customer choices. Physical and transition risks will impact on our business and financial success through customers and other stakeholders, in particular. If they materialise, such risks may affect the risk profile, capitalisation, liquidity and continuity of daily business in various ways.

ESG perspectives in operational risk management

OP Financial Group organisations regularly analyse operational risks involved in their respective businesses. Risk and control self-assessment is based on the organisations' evaluations of their operational risks and risk management. In the assessment process, the organisations identify and evaluate the most important operational risks associated with their operations. Risk identification is facilitated by a Group-wide system for operational risks, the so-called risk library system, which comprises the risk library, the cause and impact library, as well as the controls library. ESG perspectives are included in both the risk library and the cause and impact library. No new products, services, business models or systems are introduced until the associated risks and any changes in the risks have been assessed. Outsourcing and new partnerships are also subject to the same assessment. Regular risk reviews are held to keep the Executive Management Team and the Board of Directors informed of any significant risks that have materialised. Significant phenomena identified and analysed in the assessments are brought to the Group Executive Management's attention in quarterly reviews.

OP Financial Group's central cooperative's Internal Audit is responsible for the performance of Group-level, risk-based internal audit in all OP Financial Group entities.



Supervision of operations

OP Financial Group as a credit institution is supervised by the European Central Bank (ECB). The Finnish Financial Supervisory Authority oversees OP Financial Group's investment firms and insurance companies in Finland as prescribed in legislation governing financial and insurance markets. OP Financial Group's operations in Estonia, Latvia and Lithuania are supervised to an applicable extent by the national regulators. OP Financial Group uses Group-wide financial reporting and risk reporting to monitor the achievement of business goals and financial targets, and these reports are regularly reviewed at the meetings of senior management and OP Cooperative's Board of Directors. The same principles apply to the management's monthly financial performance and risk reports. When preparing – and examining – the report, the management ascertains the accuracy and correctness of the financial results and reporting by analysing performance and risk profile and any deviations from targets. External reporting is based, for example, on the International Financial Reporting (IFRS) Standards, the Finnish Limited Liability Companies Act, Act on Credit Institutions, Insurance Companies Act, Accounting Act, and the standards and regulations issued by the Financial Supervisory Authority. The auditor for OP Cooperative must be a firm of authorised public accountants certified by the Finnish Patent and Registration Office.

OP Financial Group's central cooperative's Internal Audit is responsible for the performance of Group-level, risk-based internal audit in all OP Financial Group entities. In its 2023 audits, Internal Audit assessed the sustainability factors in, for example, the following areas: management of corporate responsibility, data quality management,

employee remuneration, anti-money laundering and management of the risks of fraud and misuse. More detailed information about the governance system is available in [OP Financial Group's 2023 Corporate Governance Statement](#).

In addition to risk and control self-assessment performed by business units and companies, the Group's centralised Compliance function has performed a risk assessment that is independent of the business units and assesses risks related to managing conflicts of interest and preventing corruption. Risks related to conflicts of interest and corruption failed to rise to a significant level in Compliance's 2023 risk assessment. Compliance is also responsible for OP Financial Group's guidelines and training on managing conflicts of interest and preventing corruption. The guidelines identify real and potential conflicts of interest and provide instructions for managing conflicts of interest and preventing corruption within the OP Financial Group. Criteria, registering procedures and acceptance procedures have been set for giving and receiving gifts and hospitality. Any cases of corruption must be reported, investigated and registered.

Training in the Code of Business Ethics, the management of conflicts of interest and the prevention of corruption have been implemented with two online course programmes, which are mandatory for members of the OP cooperative banks' and the Central cooperative's governing bodies and to all OP Financial Group employees. The employees of the central cooperative and OP cooperative banks complete the courses every year, but governing body members are only required to complete the courses once.

In accordance with the Code of Business Ethics, OP Financial Group or its entities do not support political parties or organisations or contribute to the electoral campaign of an individual candidate. The partnership criteria of OP Financial

We continuously invest in financial crime prevention, based on our employees and system development.



Group's sponsorship guidelines adhere to and support OP's values. Significant sponsorship agreements are subject to centralised management and Group-level monitoring.

At OP Financial Group, we take cases of suspected misconduct seriously and want to provide an easy and confidential reporting channel for raising concerns about them. We encourage all OP employees to point out shortcomings and discuss them openly within the organisation. The primary reporting route is the supervisor, the managing director of the OP cooperative bank, the person in charge of HR, or the person in charge of compliance in the area of responsibility concerned.

OP Financial Group companies have an internal whistleblowing channel for submitting reports regarding violations and misconduct (whistleblowing reports). Such reports may also concern actions that are against OP Financial Group's core values or good banking or insurance practice. You can submit reports in the channel at all hours of the day and night through OP Financial Group's intranet or website. In Finland, the whistleblowing channel is available in Finnish, Swedish and English. In addition, each branch operating as part of OP Corporate Bank in the Baltic countries provides a whistleblowing channel for filing reports in the local language (Estonian, Latvian or Lithuanian) or in English.

OP Financial Group is a responsible player. Our operations observe the regulations and laws currently in force. We are careful about our reputation and reliability, which makes it important for us to recognise the key regulations of competition law and observe them in all our operations.

We take anti-financial crime activities extremely seriously. Over the years, we have developed our anti-financial crime processes, practices, internal control, and systems.

We continuously invest in financial crime prevention, based on our employees and system development. During 2023, we repaired a significant number of the deficiencies found in our internal operations by the AML audits conducted by the Finnish Financial Supervisory Authority in 2022. Learn more about the topic in [OP Financial Group's Report by the Executive Board and Financial Statements 2023](#).

Hundreds of specialists are engaged in anti-financial crime work in OP Financial Group's central cooperative. Employees of OP cooperative banks and OP Financial Group's other companies also play an important role in Know Your Customer (KYC) activities, maintaining customer data, monitoring customers' account transactions, and identifying suspicious activities.

All OP Financial Group employees are regularly trained in matters such as the detection and reporting of unusual transactions. In this way, we ensure that they understand regulations, guidelines and procedures related to anti-money laundering (AML) activities and sanctions. Read more about anti-financial crime on our [website](#).

One of the biggest taxpayers in Finland

OP Financial Group is one of the largest taxpayers in Finland. In addition, OP cooperative banks are often among the largest local taxpayers. All OP cooperative banks pay their corporate tax locally to their operating region. OP Financial Group's 2023 income tax was EUR 408 million (213) and the effective tax rate was 19.9% (19.0).

OP Financial Group's taxes consist of indirect and direct taxes, and taxes collected on behalf of the government. Direct taxes include income taxes, property taxes and fiscal charges paid directly by the Group. Indirect taxes

include value added tax and insurance premium tax. Taxes collected by OP Financial Group on behalf of the government include those that the Group collects as a payer and forwards to the government, such as withholding tax on wages and tax at source on interest. No value added tax is payable on the brokerage and sale of financial services, which is why these services do not render OP Financial Group liable for value added tax payments or entitle it to deduct value added tax for purchases. OP Financial Group's member cooperative banks and other companies are nevertheless liable to pay value added tax on their other business transactions.

Tax footprint*

€ million	2023	2022
Direct taxes in total	637	433
Social security and pension contributions	233	209
Income tax	401	220
Real estate tax	3	3
Indirect taxes treated as expense in total	79	106
Value added tax treated as expense	79	106
Indirect taxes in total	316	301
Value added tax	47	45
Insurance premium tax	270	256
Taxes collected in total	247	220
Withholding tax	230	214
Tax at source	17	7

* Taxes included in the table are calculated on an accrual basis.

We treat all customer information confidentially

OP Financial Group's salaried employees and all members of our governing bodies are legally bound to confidentiality regarding all customer data. We respect banking and insurance secrecy, the confidentiality of customer data, and contractual non-disclosure obligations in everything that we do. Our employees only process customer data to the extent required by their duties, and we take data protection matters into account in all personal data processing.

OP is committed to responsible marketing and advertising. We follow the Marketing Code of the International Chamber of Commerce, good marketing practices and marketing guidelines applicable to the sectors in which we operate. By law, customers must be given information on certain terms and conditions, properties and risks related to goods and services. We aim to provide customers with any information that may influence their decisions on products and services. OP very rarely targets marketing at children and adolescents.

OP Financial Group has a Data Protection Officer, whose role is based on the EU's General Data Protection Regulation (GDPR). Data subjects can contact the Data Protection Officer about any issues related to the processing of their personal data and exercise their rights under the GDPR.

OP Financial Group received 22 substantiated customer complaints concerning the processing of personal data or breaches of customer privacy in 2023 (in the related calculation, several complaints filed about a single event – for example, a mailing error – were counted as one complaint). In 2023, our internal controls identified



We are an active owner and encourage our investee companies to do business responsibly and our partners to pursue responsible investment.

a total of 1,081 cases that can be classified as personal data breaches under the GDPR. The number includes breaches attributable to human error that are unlikely to compromise the rights and freedoms of natural persons.

At the end of 2023, we announced a data breach in the email of one of our employees. As a result of the data breach, an unauthorised party may have obtained the personal details of a limited group of customers, which is small in proportion to the total number of OP customers. The data breach did not target OP Financial Group's actual customer information systems, or the information held in them, but the email of an individual employee. It was executed using a very sophisticated attack technique that is difficult to detect and enables the bypassing of two-factor identification. This case is part of the phishing campaign about which the National Cyber Security Centre of Traficom warned organisations in the autumn of 2023.

Responsibility as part of daily work at business units

Our corporate customers' ESG analysis has been created to be part of the assessment of creditworthiness. The guidelines on loan origination and monitoring issued by the European Banking Authority require credit institutions to identify their customers' exposure to risks arising from ESG factors. The credit institution should also assess the appropriateness of customers' mitigation strategies for managing these themes.

In the ESG analysis, we assess the companies, schemes or projects seeking financing. We group them into ESG industry categories, based on their exposure

to ESG factors typical of their industry. Climate change, biodiversity impact, circular economy, human resources, product liability and community relations are among the most common themes covered in the analyses. The purpose of these analyses is to help us assess how well the companies have included essential ESG themes in their business models and how these themes will affect their business operations and potential.

We have increased the number of entity-specific ESG analyses included in our equity research. Our ESG analysis is based on individual company highlights, and in autumn 2023, it covered over 60% of the companies under equity monitoring. Sustainability is also always a part of the corporate loan analysis for new bond issues.

Active Ownership

OP Financial Group manages customers' assets worth EUR 112 billion (89.3). Our asset management adheres to the Principles for Responsible Investment. We are an active owner and encourage our investee companies to do business responsibly and our partners to pursue responsible investment. OP Fund Management Company exercises the voting rights of the mutual funds managed by it in accordance with the ownership policy approved by the company's Board of Directors and implements its ownership policy by actively participating in the AGMs of companies listed in Finland. In 2023, its representatives attended the AGMs of 58 Finnish companies. With respect to companies listed in Finland, OP Fund Management Company strives to discuss grievances directly with the companies prior to AGMs, so that, as a general rule, it will be possible to support the proposal of the company's Board if it comes to voting. OP Fund Management

Company uses proxy voting to also exercise voting rights at the AGMs of companies listed in countries other than Finland. OP Fund Management gave voting instructions for 471 foreign AGMs in 17 different countries in 2023. These included 80 proposals relating to the environment and 173 proposals relating to human rights and social responsibility. OP Asset Management contacted eight companies in 2023 regarding the matters discussed in AGMs.

As the investment manager for OP Life Assurance Company, OP Asset Management Ltd implements OP Life Assurance Company's shareholder engagement principles. OP Asset Management follows the target companies' financial performance, risks arising from operations and their capital structure in accordance with the principles and also pays attention to environmental, social and governance (ESG) issues. Portfolio managers meet representatives of companies and obtain additional information about matters such as the company's strategy implementation, operations and essential ESG issues in meetings with the companies.

Investigating sustainability preferences is part of the EU regulation on sustainable finance, and we ask our customers' sustainability preferences when giving them investment advice. All customer classes were equally interested in responsible investment funds, women slightly more than men: 52% of the subscribers were women. The majority of fund subscribers are regular investors: over 60% of subscribers have invested during at least six different months, and roughly 96% of all subscribers are owner-customers.

Responsible procurement

OP Financial Group's procurement function aims to ensure that the services and products it purchases are cost

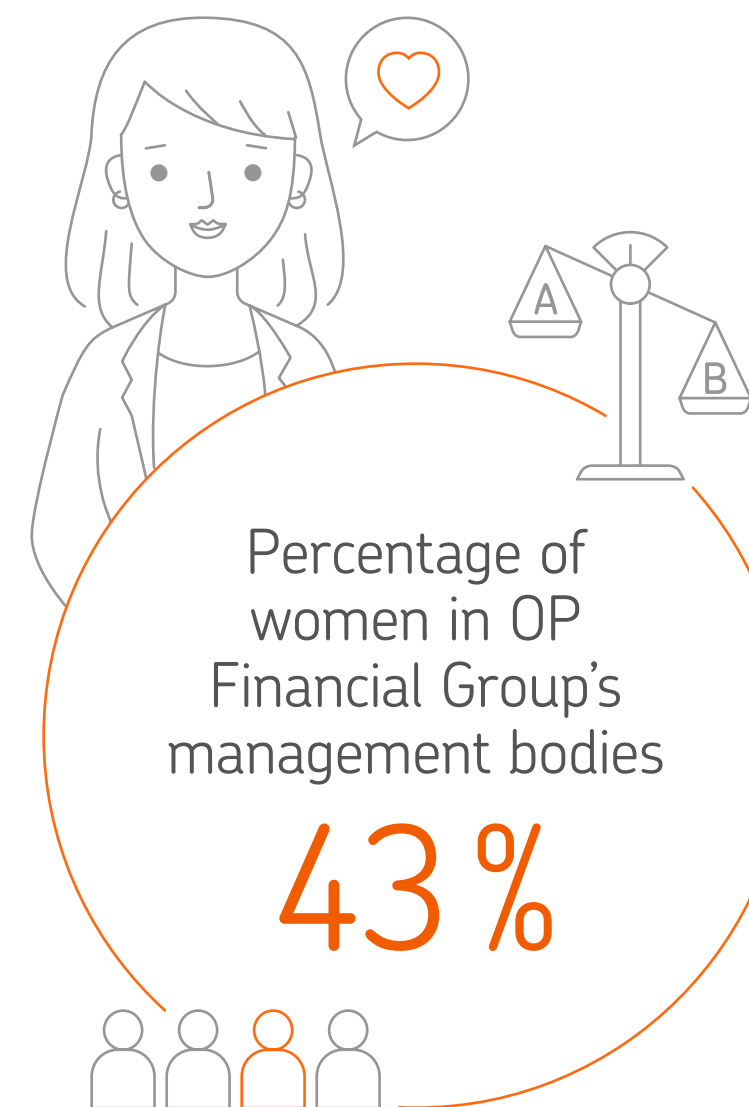
efficient overall, of high quality, sustainable and regulation compliant. In cooperation with business divisions, our centralised procurement is tasked with overseeing OP cooperative banks and other stakeholders to ensure that the selected suppliers are managed professionally.

In 2023, the value of our centralised purchases totalled approximately EUR 2 billion. The Group had almost 15,000 suppliers of products and services. Most suppliers are based in Finland, where they also provide their services. In terms of purchase volumes, the largest purchase categories were Insurance claims services, ICT and Building management services. In addition, OP Financial Group's business units took care of their own funding and investment-related acquisitions.

> Supplier Code of Conduct

[OP Financial Group's Supplier Code of Conduct](#) is binding on all our suppliers and contractual partners. The Code of Conduct is based on the Group's values and polices on good business practices, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Global Compact principles. We require that our product and service suppliers comply with local legislation, regulations of the authorities and good business practices of their respective sectors. Suppliers must also ensure that any suppliers and subcontractors in their own supply chain observe the same principles.

In addition to universal minimum requirements, we strive to identify the most important responsibility themes and criteria for each of the categories of goods we purchase and to apply service-specific or category-specific responsibility requirements. We first evaluate the supplier's



responsibility during supplier approval when we also evaluate their suitability for a partnership with us more generally. After this, we evaluate suppliers in connection with competitive tendering and at regular intervals during the partnership in accordance with the method established by OP Financial Group's procurement. We encourage supplier transparency and dialogue on operating instructions and the development of responsible business collaboration.

> Supplier audits and risk management as part of responsibility assessment

OP Procurement observes regulatory requirements applicable to OP Financial Group and ensures regulatory compliance in areas such as supplier contract updates and regulatory reporting. By auditing suppliers, we aim to ensure that our supplier requirements are implemented in practice. The supplier audits also increase cooperation transparency and support suppliers in correcting any shortcomings. Besides the regulatory compliance of suppliers' business activities, we also monitor matters related to employees' basic rights, human rights and environmental management. Together with the supplier, we monitor the development areas identified in the audits and their remediation actions. In 2023, we audited our significant suppliers. The audits revealed no severe deficiencies in relation to sustainability and corporate responsibility. We are continuing the supplier audits in an even more extensive capacity in 2024.

At the beginning of 2024, we will launch the Third Party Risk Management & Outsourcing function in Procurement Services. In OP Financial Group, it will be the party responsible for the risk management operating methods, processes and tools of outsourcing

arrangements and third parties. The function will perform risk management on the supplier level, including due diligence, audits and supplier-specific risk and control self-assessments, also from the perspective of sustainability and corporate responsibility.

> Cooperation with strategic ICT partners

We continued deepening supplier cooperation with our strategic partners in 2023. We have created a tight partner ecosystem based on OP Financial Group's operating model and shared practices, processes and tools. As part of this, we will also strengthen our culture of working as a single team and set goals for ensuring the diversity and equality of teams and for reducing the carbon footprint of services provided to OP. An increasing number of our significant suppliers reports the carbon footprint related to our procurement, and we use this to specify OP Procurement's Scope 3 greenhouse gas emission calculations.

We were in regular dialogue with our strategic partners that supply OP Financial Group with application and maintenance work related to ICT services, particularly regarding ensuring the continuity of services. With respect to country risks, in addition to Ukraine, we monitored the situation in India in particular and analysed the potential impacts human rights, climate and environmental risks may have on our operations through our supply chain.

ESG data management

In 2023, we invested in the development of ESG data management. In ESG data management, we use OP Financial Group's data governance model, which creates



In 2023, we invested in the development of ESG data management.

conditions ensure that we process data in an appropriate, managed and lawful way that supports the Group's strategic goals. We systematically collect and manage ESG data and share it with the entire organisation through our shared data platform. Read more on page [76](#).

Our practises have improved the quality, reliability and strategic value of ESG data enabled a more sustainable and responsible business model. We have carried out several trials and pilot tests that use predictive analytics and AI, and our current projects include predicting consumer needs in wealth management, improving the transparency of pricing in electronic foreign exchange trading and development tasks related to ESG.

Basis and indicators of GRI reporting

Our reporting principles

This report is based on the Universal standards of the GRI (Global Reporting Initiative) Standards and covers the material aspects from OP Financial Group's perspective. A comparison of material aspects with GRI aspects is given in the table Management approach and reporting on material aspects, while a comparison with GRI standards is given in the GRI Content Index. The numerical data relating to the GRI Standards have been audited by an independent third party, KPMG Oy Ab.

The GRI Content Index explains which GRI indicators we have used to measure our performance in upholding the principles on human rights, labour standards, environmental friendliness and anti-corruption.

OP Financial Group's sustainability reporting mainly follows the same rules as OP Financial Group's financial reporting. Any restrictions and deviations from rules are reported next to the applicable data and in the GRI Content Index.

Emissions

OP Financial Group calculates emissions as CO₂e-equivalents in accordance with the Greenhouse Gas (GHG) Protocol. OP Financial Group's own operations are not subject to emissions trading rules.

- Scope 1 emissions: fossil fuels used to power stand-by generators and for heating. Emission factors: OpenCO₂.net Oy / Statistics Finland. Calculation principle GRI 305-1. Consolidation approach for emissions: operational control.
- Scope 2, location-based: country-specific average emission factors used in the calculation. Emission factors: Finnish electricity production figures 2023, OpenCO₂.net Oy/AIB, Association of Issuing Bodies, Finnish average for district heating, OpenCO₂.net Oy/Finnish Energy. For operations outside Finland, OpenCO₂.net Oy was used as the source of emission factors for district heating and electricity. Calculation principle GRI 305-2. Consolidation approach for emissions: operational control.
- Scope 2, market-based: regarding electricity emissions, account is taken of green electricity, but the share of other sources is calculated using Finland's residual distribution. Emission factors: OpenCO₂.net Oy/Finnish Energy. Calculation principle GRI 305-2. Consolidation approach for emissions: operational control.
- Scope 3 Emissions:
 - Category 1: purchased products and services. Calculation according to purchase-based emission data reported by supplier or emissions calculated on the basis of total purchase costs. Includes insurance payouts, maintenance of premises, ICT and development expenses, expert and HR services, marketing and communications, information logistics and health services. Emission factors: In cost-based emission calculations: OpenCO₂.net Oy/DEFRA.
 - Category 3: fuel production and energy transfer (line loss).
 - Category 5: waste generated by operations covers waste generated by the central cooperative. Emissions data from the supplier.
 - Category 6: business travel includes emissions from travel and hotel stays and emissions caused by driving according to kilometre allowances. Emissions from travel and hotel stays are calculated based on travel data collected through the travel agency. Emission factors as per DEFRA, service providers, Traficom.
 - Category 7: employee commuting includes emissions from the use of company cars, primarily calculated based on actual fuel consumption and the unitary emissions of fuel types (VTT/Lipasto) and, in the absence of fuel consumption data, on estimated kilometres driven and the WLTP emissions of the vehicle. Emission factors as per suppliers and Traficom.
 - Category 15: investments. OP Financial Group is part of financial institutions' international Partnership for Carbon Accounting Financials (PCAF), which aims to develop and implement a harmonised approach to assessing and disclosing greenhouse gas emissions associated with loans and investments. A harmonised accounting approach will provide financial institutions with a basis for achieving the goals of the Paris Agreement. Comparable climate emissions data is important to the development of sustainable investment products and credit risk management, among other things. The emissions reduction targets are based on the emission calculation results for 2022. Detailed descriptions on the calculation of each asset class' emissions are presented on page [61](#).

Management approach and reporting on the material aspects

Sustainability Programme themes	Material aspects	GRI Material aspects	Policies and commitments	Projects, programs and initiatives
Climate and the environment	<ul style="list-style-type: none"> Mitigating and preparing for the effects of climate change Advocating sustainable financing and investing Promotion of the circular economy Promoting biodiversity 	<ul style="list-style-type: none"> Ownership Emissions Energy 	<ul style="list-style-type: none"> Code of Business Ethics UNEP FI PRB and Collective Commitment to Climate Action UNEP FI PSI Global Compact TCFD CDP Climate Action 100+ UNPRI 	<ul style="list-style-type: none"> PCAF WWF Green Office system City of Helsinki's Climate Partners network
People and communities	<ul style="list-style-type: none"> Promoting the diversity, equal opportunities and wellbeing of employees Supporting local communities and measures to boost vitality and wellbeing Promoting financial literacy Respect for human rights 	<ul style="list-style-type: none"> Local communities Economic performance Indirect economic impacts Employment Occupational health and safety Non-discrimination 	<ul style="list-style-type: none"> Global Compact UNEP FI PRB Code of Business Ethics Procurement Policy OP Financial Group's Supplier Code of Conduct Operating Model for the Management of Wellbeing at Work OP's Principles of Good Leadership Remuneration Policy Gender Equality and Equity Plan Competence Development Procedures 	<ul style="list-style-type: none"> Junior Achievement Finland: financial management courses, Investor Academy, Pikkuyrittäjät and Uskalla yrittää programmes Deaconess Foundation and the Taloustaito financial literacy project HYOL: Financial literacy competition 4H and the Ajokortti työelämään training courses OPxRahapuhetta financial literacy lessons carried out by OP co-operative banks for schoolchildren and Feel Confident Online digital skill training sessions for those needing special support Summer jobs paid for by OP campaign Local programmes and partnerships, such as JA's business villages for schoolchildren Hippo sports schools
Corporate governance	<ul style="list-style-type: none"> Open and transparent operations Protection of privacy and data security Preventing shadow economy, corruption and money laundering Risk management Competence development 	<ul style="list-style-type: none"> Anti-competitive behaviour Anti-corruption Local communities Customer privacy Training and education 	<ul style="list-style-type: none"> Code of Business Ethics Ethical Principles of Artificial Intelligence OP Financial Group's Supplier Code of Conduct OP's Principles of Good Leadership Remuneration Policy Gender Equality and Equity Plan Competence Development Procedures Principles of Diversity 	



GRI-indicator

GRI Standards disclosure		2019	2020	2021	2022	2023	Omissions
GRI 2: General disclosures (2021)							
Activities and workers							
2-7	Employees						
	The total number of employees, and a breakdown of this total by gender and by region						The figure includes the number of employment contracts in force at the end of the reporting period.
	Men	3,872	4,150	4,334	4,394	4,771	
	Women	8,354	8,440	8,713	8,554	8,978	
	Other or missing data		14	32	51	57	
	Finland	12,118	12,492	12,955	12,866	13,666	
	Other countries	108	112	124	133	140	
	The total number of permanent employees, and a breakdown by gender and by region						The figure includes the number of employment contracts in force at the end of the reporting period.
	Men	3,640	3,888	4,076	4,148	4,441	
	Women	7,874	7,908	8,195	8,093	8,498	
	Other or missing data	0	14	31	47	57	
	Finland	11,416	11,708	12,193	12,165	12,861	
	Other countries	98	102	109	123	135	
	The total number of temporary employees, and a breakdown by gender and by region						The figure includes the number of employment contracts in force at the end of the reporting period.
	Men	232	262	258	246	330	
	Women	480	532	518	461	480	
	Other or missing data	0	0	1	4	0	
	Finland	702	784	762	701	805	
	Other countries	10	10	15	10	5	



GRI Standards disclosure

	2019	2020	2021	2022	2023	Omissions
The total number of non-guaranteed hours employees, and a breakdown by gender and by region						The figure includes the number of so-called zero-hour employment contracts in force at the end of the reporting period. A total of 130 persons are working under so-called zero-hour employment contracts that lack pre-arranged, variable working hours, 126 on their own initiative and 4 on the employer's initiative.
Men					56	
Women					74	
Other or missing data					0	
Finland					130	
Other countries					0	
The total number of full-time employees, and a breakdown by gender and by region						The figure includes the number of full-time employment contracts in force at the end of the reporting period. Full-time employees are employees whose regular working hours correspond to the maximum hours permitted by the applicable collective agreement.
Men	3,695	3,948	4,118	4,171	4,503	
Women	7,571	7,601	7,844	7,696	8,043	
Other or missing data	0	14	28	42	49	
Finland	11,158	11,451	11,873	11,780	12,464	
Other countries	108	112	117	129	131	
The total number of part-time employees, and a breakdown by gender and by region						The figure includes the number of part-time employment contracts in force at the end of the reporting period. Part-time employees are employees whose regular working hours are less than the maximum hours permitted by the applicable collective agreement.
Men	177	202	216	223	268	
Women	783	839	869	858	935	
Other or missing data	0	0	4	9	8	
Finland	960	1,041	1,082	1,086	1,202	
Other countries			7	4	9	



GRI Standards disclosure		2019	2020	2021	2022	2023	Omissions
2-8	Workers who are not employees						
	The total number of workers who are not employees and whose work is controlled by the organization						External workforce consists of temporary agency workers. Of these, 79% work in development and technology functions, 13% in business segments and 7% in centres of excellence.
	The total number of the most common types of worker and their contractual relationship with the organization	1,617	1,502	1,651	1,820	1,868	The figure includes the number of temporary agency workers working actively at the end of the reporting period.
	The total number of the type of work they perform						OP does not report the amount of work performed by workers.
Governance							
2-21	Annual total compensation ratio (GRI provides formulas to calculations)						
	The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	19	19	20	19	19	The ratio of the highest fixed compensation and median fixed compensation is reported for Finland and excludes hourly paid staff and OP Koti real estate agencies. OP Financial Group does not report the total compensation ratio due to the precautionary principle.
	The ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)					96%	OP Financial Group does not report the information due to the precautionary principle.
Strategy, policies and practices							
2-27	Compliance with laws and regulations						No significant cases of non-compliance.
Sidoryhmäyhteistyö							
2-30	Collective bargaining agreements						
	Report the percentage of total employees covered by collective bargaining agreements	91%	91%	91%	92%	93%	The figure is for Finland only. No binding collective agreements exist in the Baltic countries.
Economic standards							
GRI 201: Economic performance (2016)							
201-1	Direct economic value generated and distributed, million euros						
	a) Revenues	2,983	2,874	3,335	3,446	4,501	
	Economic value distributed						
	b) Operating costs	842	849	807	868	1,006	
	c) Employee wages and benefits	781	715	914	894	964	
	d) Returns to owner-customers	249	251	205	209	255	
	e) Income tax	168	144	224	242	408	
	f) Donations and other community investments	2.1	2.7	2.4	6.0	5	
	Economic value retained	941	913	1,182	1,228	1,863	



GRI Standards disclosure		2019	2020	2021	2022	2023	Omissions
GRI 205: Anti-corruption (2016)							
205-2	Communication and training about anti-corruption policies and procedures						
	Personnel, central cooperative	96%	87%	87%	96%	97%	
	Personnel, OP cooperative banks	100%	100%	100%	98%	99%	
Environmental standards							
GRI 302: Energy (2016)							
302-1	Energy consumption within the organization						
	District heating, MWh	73,420	67,210	69,228	74,958	76,656	
	District cooling, MWh	4,630	3,420	2,700	2,679	2,766	
	Fuels, heating and stand-by generators, MWh	90	86	84	1,278	762	
	Electricity, MWh	59,910	57,200	60,302	47,678	47,411	
	share of renewable electrical energy	34%	41%	36%	54%	99.80%	
	Energy consumption within the organisation, MWh	136,840	127,196	132,380	126,593	127,595	
	share of renewable energy of total energy		26%	25%	52%	99.20%	
302-3	Energy intensity						
	Energy intensity, MWh per capita per year	11.2	10.1	10.1	9.7	9.2	
GRI 305: Emissions (2016)							
305-1	Direct (Scope 1) GHG emissions						
	Scope 1: Direct greenhouse gas emissions, CO ₂ e-tons	23	22	21	332	187	
305-2	Energy indirect (Scope 2) GHG emissions						
	Scope 2: Energy indirect greenhouse gas emissions, market-based, CO ₂ e-tons	23,739	17,900	25,464	6,824	95	
	Scope 2: Energy indirect greenhouse gas emissions, location-based, CO ₂ e-tons	22,431	17,332	17,702	14,585	12,372	
305-3	Scope 3: Other indirect greenhouse gas emissions, CO₂e-tons						
	Category 1: Purchased goods and services, CO ₂ e-tons						Calculation principle changed in 2020. The calculation boundaries were updated in 2021. The factors were updated and the calculation boundaries were specified in 2023.
	Claims settlement services					147,000	
	Building management services					54,000	
	ICT					29,000	
	Other					64,300	
	Total	1861	460,000	338,000	360,000	294,300	



GRI Standards disclosure		2019	2020	2021	2022	2023	Omissions
Category 3: Fuel production and energy transfer (line loss). CO ₂ e-tons						72.85	
Category 5: Waste generated in operations, CO ₂ e-tons		402	0	0	14	0	A total of 14 metric tons of CO ₂ equivalent of total emissions from waste were compensated.
emissions compensation		0			-14		
net emissions		402	0	0	0	0	
Category 6: Business travel, CO ₂ e-tons		3,763	2,977	1,233	2,419	2,856	
Category 7: Employee commuting, CO ₂ e-tons		957	1,051	1,205	941	716	
Category 15: Investments, CO ₂ e-tons		over 10 mill.	approx. 13.1 mill.	over 11.2 mill.	approx. 6 mill.	5.2 mill.	
305-4 GHG emissions intensity							
Greenhouse gas emissions intensity, tonnes of CO ₂ equivalent per capita		1.94	1.42	1.95	0.55	0.02	Includes Scope 1 and 2 emissions.
GRI 306: Waste (2020)							
306-2 Management of significant waste-related impacts							
Recycling and reuse		625 t	483 t	384 t	403 t	405.65 t	
Other use		172 t	73 t	57 t	65 t	41.79 t	
Incineration (mass burn)		51 t	34 t	37 t	49 t	108.1 t	
Disposal		0 t	0 t	0 t	0 t	0.01 t	
Social standards							
GRI 401: Employment (2016)							
401-1 New employee hires and employee turnover							
New employee hires		1,789	1,641	1,770	1,571	1,895	The reported figure does not include re-hires.
Employee turnover		2,095	1,750	1,744	1,686	1,458	The reported figure does not include transfers of business.
Total employee turnover, permanent staff		11.2%	8.7%	8.6%	8.5%	6.7%	Total employee turnover is reported for permanent staff only and excludes any business transfers. The average number of permanent employees during the year has been used as the divisor.
Voluntary employee turnover, permanent staff		9.6%	6.6%	8.0%	8.2%	6.2%	Voluntary turnover reported for permanent personnel, including resignations and retirements. The average number of permanent employees during the year has been used as the divisor.



GRI Standards disclosure		Under 30 years old	30–49 years old	Over 49 years old	Total	Omissions
401-1	Employee turnover, number of new employment relationships beginning for the first time by gender, geographical area and age group					The reported figure does not include re-hires.
	Men	433	264	45	742	
	Women	640	421	78	1,139	
	Other or missing data	2	11	1	14	
	Total	1,075	696	124	1,895	
	Finland	1,069	683	124	1,876	
	Other countries	6	13	0	19	
	Total	1,075	696	124	1,895	
401-1	Employee turnover, rate of new employment relationships beginning for the first time by gender, geographical area and age group					The reported figure does not include re-hires. The rate of new employment relationships beginning for the first time is calculated by dividing the number of transactions by the number of persons in the corresponding group at the end of the year.
	Men	47%	10%	4%	16%	
	Women	39%	9%	3%	13%	
	Other or missing data	12%	31%	25%	25%	
	Total	42%	9%	3%	14%	
	Finland	42%	9%	3%	14%	
	Other countries	29%	13%	0%	14%	
	Total	42%	9%	3%	14%	
401-1	Employee turnover, number of terminated employment relationships by gender, geographical area and age group					The reported figure does not include transfers of business.
	Men	289	143	94	526	
	Women	432	250	246	928	
	Other or missing data	3	1	0	4	
	Total	724	394	340	1,458	
	Finland	720	385	340	1,445	
	Other countries	4	9	0	13	
	Total	724	394	340	1,458	
401-1	Employee turnover, rate of terminated employment relationships by gender, geographical area and age group					The reported figure does not include transfers of business. The rate of terminating employment relationships is calculated by dividing the number of transactions by the number of persons in the corresponding group at the end of the year.
	Men	31%	5%	9%	11%	
	Women	27%	5%	9%	10%	
	Other or missing data	18%	3%	0%	7%	
	Total	28%	5%	9%	11%	
	Finland	28%	5%	9%	11%	
	Other countries	19%	9%	0%	9%	
	Total	28%	5%	9%	11%	



GRI Standards disclosure		2019	2020	2021	2022	2023	Omissions
401-3	Parental leave						
	Number of employees on parental leave						Number of employees who took family leave during the reporting period. OP can report the amount of people entitled to take family leave only on the basis of the employee's own report. OP reports the amount of employees who have reported the use of their right to family leave to their employer.
	Men	312	331	362	383	370	
	Women	692	668	705	726	669	
	Other or missing data			6	7	5	
	Number of employees retained after parental leave						Number of employees who returned to work from parental leave during the reporting period.
	Men	285	302	324	344	319	
	Women	284	266	271	324	301	
	Other or missing data				4	3	
	Return to work after parental leave						The ratio of employees who have returned to work is calculated in proportion to those who should have returned to work after parental leave during the reporting period.
	Men	99%	100%	99%	99%	99%	
	Women	87%	93%	94%	91%	93%	
	Other or missing data				100%	100%	
	Retention rate after parental leave						The retention rate is calculated in relation to those who returned to work after the end of family leave in the previous reporting period.
	Men	88%	98%	91%	86%	90%	
	Women	90%	93%	87%	87%	87%	
	Other or missing data					75%	
GRI 403: Occupational health and safety (2018)							
403-8	Workers covered by an occupational health and safety management system						
	Number of workers represented in formal joint management-worker health and safety committees	11,251	11,784	12,341	12,276	13,115	The figure includes employees only, not workers who are not employees.
	Percentage of workers represented in formal joint management-worker health and safety committees	92%	93%	94%	94%	95%	The figure includes employees only, not workers who are not employees.
403-9	Work-related injuries						
	Number of occupational accidents resulting in lost days	25	11	15	13	12	The most common injuries are slipping, stumbling or tripping. The figure covers persons employed in Finland. Data for years prior to the reference year have been updated retrospectively. OP Financial Group does not report work-related injuries sustained by workers who are not employees due to the precautionary principle.
	Injury rate (LTA1)	1.4	0.6	0.8	0.7	0.6	The frequency of work-related injuries has been calculated by dividing the number of work-related injuries resulting in sick leave by one million hours worked.



GRI Standards disclosure		2019	2020	2021	2022	2023	Omissions
403-10	Work-related fatalities	0	0	0	0	0	OP reports the occupational diseases according to the definition of section 26 of the Workers' Compensation Act ((459/2015) and the Finnish Government's Decree on the List of Occupational Diseases (769/2015). According to the Workers' Compensation Act, 'occupational disease' refers to an illness that is likely to have been primarily caused by the employee's exposure to a physical, chemical or biological agent at work.
	Recordable cases of work-related ill health	1	0	0	0	0	
	Percentage of annual working days lost due to sickness absences	3.4%	2.9%	2.7%	3.6%	3.2%	The figure is for Finland only.
	Men	2.0%	1.4%	1.5%	2.1%	1.8%	
	Women	4.0%	3.7%	3.4%	4.3%	3.9%	
GRI 404: Training and education (2016)							
404-1	Average hours of training per year per employee						The figure does not necessarily include all training courses and coaching attended by employees.
	Men	14	10	11	12	14	
	Women	19	13	14	16	16	
	Other or missing data			15	8	14	
	Total	17	12	13	15	15	
	Executives				15	18	
	Supervisors				19	23	
	Specialists				11	12	
	Salaried employees				16	16	
404-3	Percentage of employees receiving regular performance and career development reviews						The method for calculating the indicator has been updated as of 2022.
	Men					82%	
	Women					87%	
	Other or missing data					64%	
	Total				89%	85%	
	Executives					96%	
	Supervisors and specialists					90%	
	Salaried employees					81%	
GRI 405: Diversity and equal opportunity (2016)							
405-1	Diversity of governance bodies and employees						
	Human resources by gender						
	Men	32%	33%	33%	34%	35%	
	Women	68%	67%	67%	66%	65%	
	Other or missing data			0%	0%	0%	



GRI Standards disclosure	2019	2020	2021	2022	2023	Omissions
Human resources by age group						
Under 30 years old	15%	17%	18%	18%	19%	
30–49 years old	51%	52%	52%	53%	54%	
Over 49 years old	34%	31%	30%	29%	27%	
Human resources by employee category						
Management	3%	3%	3%	3%	3%	
Supervisors	8%	7%	7%	7%	7%	
Experts	32%	35%	35%	37%	39%	
Employees	56%	55%	55%	53%	52%	
Average age of employees	42.6	42.2	41.9	41.9	42.1	OP calculates the average age of the personnel according to observations with an accuracy of one decimal place.
Average length of service	11.1	11.0	10.5	10.5	10.2	OP calculates the average length of service of the personnel according to observations with an accuracy of years of service being one decimal place.

405-1 Diversity of governance bodies and employees

OP Financial Group	Under 30 years old	30–49 years old	Over 49 years old	Men	Women	Other missing Data
Management	1%	51%	48%	66%	34%	0%
Supervisors	2%	66%	32%	42%	58%	0%
Experts	9%	63%	27%	48%	51%	1%
Employees	28%	46%	26%	22%	78%	0%
Total	19%	54%	27%	35%	65%	0%
Central Cooperative						
Management	1%	62%	37%	60%	40%	0%
Supervisors	1%	70%	28%	47%	52%	0%
Experts	10%	65%	25%	52%	47%	1%
Employees	31%	50%	19%	24%	75%	1%
Total	18%	59%	23%	41%	58%	1%
OP Cooperative Banks						
Management	1%	43%	56%	72%	28%	0%
Supervisors	3%	64%	33%	34%	66%	0%
Experts	7%	61%	32%	37%	63%	0%
Employees	29%	43%	28%	17%	83%	0%
Total	21%	49%	30%	24%	76%	0%

405-1 Diversity of governance bodies and employees

OP Financial Group	Under 30 years old	30–49 years old	Over 49 years old	Men	Women	Other missing Data
OP Koti						
Management	0%	45%	55%	64%	36%	0%
Supervisors	0%	38%	62%	60%	40%	0%
Experts	1%	37%	62%	37%	63%	0%
Employees	10%	41%	50%	38%	62%	0%
Total	8%	40%	52%	40%	60%	0%

405-1 Diversity of governance bodies and employees, members of OP Financial Group’s governing bodies by age group and gender

	Men	Women
Under 30 years old	44%	56%
30 – 49 years old	50%	50%
Over 49 years old	63%	37%
Total	57%	43%



GRI Standards disclosure

405-2

Ratio of basic salary and remuneration of women to men

2019

2020

2021

2022

2023

Omissions

The figure is for Finland, with the exception of hourly paid employees and OP Koti business segments.

Management

94%

92%

90%

87%

89%

Supervisors and experts

88%

89%

88%

89%

90%

Employees

104%

104%

105%

108%

103%



Calculation of GHG emissions associated with investment financing and insurance activities

Introduction

OP Financial Group aims to continuously improve its understanding of its indirect climate impacts. In 2022, OP Financial Group revised its methods of measuring GHG (greenhouse gas) emissions belonging to category 15 of the GHG Protocol Scope 3 Standard. In doing so, it migrated to compliance with the Partnership for Carbon Accounting Financials' (PCAF's) harmonised carbon accounting approach for the financial sector. In 2023, OP Financial Group also began PCAF carbon accounting of its insurance-associated emissions for the first time.

Calculation of GHG emissions financed by banking and asset management activities covers the following asset classes: business loans, mortgages, motor vehicle loans, listed equity and corporate bonds. Commercial real estate, project finance and unlisted equity are not included for the moment, but their emission figures will be disclosed in forthcoming OP Financial Group reports, when the required calculation data is available. In accordance with the PCAF standard, calculation of insurance-associated GHG emissions includes emissions related to motor vehicle insurance for personal and corporate customers and emissions related to property and liability insurance for corporate customers.

Data quality is reported using the PCAF's data quality scores of 1–5. The used data sources vary, which impacts on the PCAF data quality scoring of each asset class. The best score of 1 is given for results based on audited and reported GHG emissions, whereas 5 is given for those calculated using emission factors provided by the PCAF Standard. In the following sections, Scope 1–3 emissions refer to emissions, in accordance with the GHG Protocol, which are associated with activities financed by OP Financial Group. The Scope number refers to the precise emission source in the financed activity's value chain.

One of the advantages of the PCAF Standard is the fact that a consistently applied standard substantially lowers the risk of double counting in emission measurement, while making reporting maximally transparent. In its GHG accounting, OP has systematically followed the guidelines of the PCAF Standard and its authors, and the related updates. OP's GHG accounting method and results are affected by the PCAF Standard and possible changes in its methodology. GHG accounting results can also be substantially impacted by changes in portfolios.

Insurance-associated emissions are not directly comparable with emissions financed by banking and asset management activities. Because insurance-associated emissions are calculated using a methodology specifically intended for the sector, they are reported separately to financed emissions.

All figures have been calculated in accordance with the situation on 31 December 2023.

Business loans

> Introduction

Financed emissions in the business loans asset class cover emissions associated with granted business loans, including companies' Scope 1 and 2 emissions by the end of 2023. Emissions in the business loans asset class were 3,069,579 tCO₂e in total. The table below also itemises companies' Scope 3 financed emissions. The calculation includes €20.9 billion in loans covering 94% of the business loans asset class portfolio measured in accordance with the PCAF method.



> GHG accounting results

Main line of business	Financed emissions, including companies' Scope 1 and 2 emissions, tCO ₂ e	Financed emissions, including companies' Scope 3 emissions, tCO ₂ e	PCAF data quality score, weighted average	Scope 1 and 2 emission intensity (tCO ₂ e/million euros of loans granted)
A Agriculture, forestry and fishing	1,355,315	508,669	4.72	484.50
B Mining and quarrying	11,406	5,121	3.15	391.08
C Manufacturing	135,765	1,521,636	2.93	56.32
D Electricity, gas, steam and air conditioning supply	1,364,476	976,487	2.10	428.76
E Water supply; sewerage, waste management and remediation activities	11,008	7,094	4.08	54.12
F Construction	9,355	53,556	4.27	31.70
G Wholesale and retail trade; repair of motor vehicles and motorcycles	47,283	743,318	3.57	21.71
H Transportation and storage	49,765	72,391	4.28	95.12
I Accommodation and food service activities	7,351	22,673	4.26	71.46
J Information and communication	6,171	17,144	3.85	7.62
K Financial and insurance activities	5,368	20,811	4.31	1.89
L Real estate activities	9,047	17,150	3.90	3.89
M Professional, scientific and technical activities	5,508	1,435,828	3.83	4.10
N Administrative and support service activities	11,184	26,422	4.22	40.12
• Services to buildings and landscape activities (NACE 81)	1,512	5,842	4.19	20.44
O Public administration and defence; compulsory social security	15,184	23,803	4.97	12.48
P Education	4,396	6,891	4.14	42.86
Q Human health and social work activities	7,714	12,092	4.10	67.81
R Arts, entertainment and recreation	5,976	9,369	4.09	45.40
S Other service activities	7,299	11,785	4.24	26.09
Total	3,069,579	5,492,252	3.79	138.11

> Methodology

Calculations are based on the PCAF's key tenet of following the money all the way to the financed activity. The total PCAF data quality score for the asset class is 3.79.

Company emissions (reported by the company or estimated by the bank) are allocated to OP Financial Group using an attribution factor, which is calculated as the loans' share of the company's total balance sheet value. In the case of listed companies, the company enterprise value including cash (EVIC) is used instead of the total balance sheet value.

> Comments on the results

In 2023, we improved the data quality of emissions financed through business loans; we made more use – compared to 2022 – of data obtained from customers and other sources. The energy sector is the largest source of OP Financial Group's financed emissions in the business loans asset class. This is due to the large volume of loans granted and the large emission factors of companies operating in the sector. The second largest source of emissions is the agriculture and forestry sector, in which OP Financial Group has a large market share.

Total reported emissions in this asset class decreased by 9.5% compared to the year before. The key sector-specific change was the narrowing of the gap between Scope 1 and 2 emissions in the energy production and agriculture sectors. This change was due to the adjustment of the sector-specific emission factors and guidance provided by the PCAF Standard. The PCAF updated its emission factors in 2023, leading to some major changes in agriculture and other sector-specific factors. In connection with the update, financial sector companies were encouraged to switch to region-specific and sector-specific average emission factors. OP has followed this guidance in this year's business loans' financed emissions calculations, even if customer-specific data was not available. In this respect, use of more precise customer-specific emission data in calculations and helping customers to get started with their own emission calculation are two of OP Financial Group's key goals towards improving data quality. In addition, OP Financial Group provides sustainable financing solutions for company projects that reduce climate and environmental impacts.

Mortgages

> Introduction

The mortgages asset class includes mortgages granted to private households, housing companies and other customers. The related calculations cover 99% of the portfolio.

> GHG accounting results

Mortgages	Financed emissions, Scope 1 and 2, tCO ₂ e	PCAF data quality score, weighted average	Scope 1 and 2 emission intensity (tCO ₂ e/€ million of loans granted)	Percentage of portfolio covered
Total	300,330	3.95	5.92	99%

> Methodology

The calculation data is based on the collateralised property's energy performance certificates, if they are publicly available. If an energy performance certificate cannot be obtained, the collateral's floor-area data is used alongside a floor-area based emission factor based on publicly available national data sources published by Statistics Finland and The Finnish Energy. The total PCAF data quality score for the asset class is 3.95.

Compared to last year, changes have been made to the determination of emission factors used in mortgage emission calculations. For 2022, real estate emissions were calculated using an emission factor from the PCAF's database, which expresses the average emissions per square metre of residential buildings. During 2023, we adjusted our calculation method, adopting a more up-to-date and precise emission factor calculated on the basis of the above-mentioned Finnish data sources. The more precise emission factor reduced emissions by around 54%, on the basis of which OP set its emission target published in August 2023. Emission factors for modes of energy generation were also updated, by switching to the latest available factors. However, these had a very small reductive effect on emission figures (less than 0.1%), because most emissions are calculated using the aforementioned floor-area based emission factor. Construction database content (including data on real estate and the related buildings) was also updated with the latest data, reducing the total emission figure by around 3%.

> Comments on the results

Improving the energy efficiency of Finnish housing is a priority for OP Financial Group and its customers. We set a sector-specific emissions reduction target for mortgages in 2023. Reported financed emissions from our mortgages decreased by 63% compared to 2022 emissions, which were 821,042 tCO₂e. This was mainly due to the aforementioned change in the emission factor. Emissions decreased by 21% between 2022 and 2023, according to calculations based on the harmonised emission factor. This was mainly due to improved energy efficiency and a decrease in the electricity-related emission factor in Finland, which was enabled by growth in the share of renewable and nuclear energy in total electricity generation. In 2023, OP Financial Group enabled energy efficiency improvements in real estate by launching a green loan for SMEs and housing companies, suitable for e.g. energy

renovations and energy-efficient new construction. OP also stepped up its public awareness work on energy efficient living, for example by arranging events on the energy efficiency theme.

Vehicles

> Introduction

Emissions associated with OP Financial Group's motor vehicle loan portfolio were calculated in line with the PCAF Standard for the second time in 2023. The motor vehicle loan portfolio includes a wide range of financed assets. Passenger cars are clearly the largest category of such assets and the loans granted for them.

> GHG accounting results

Motor vehicle loans	No. of financed assets	Financed emissions, tCO ₂ e	PCAF score	Scope 1 and 2 emission intensity (kgCO ₂ e/number of motor vehicles)	Percentage of portfolio covered
Total	190,166	254,865	5	1,340	79%

> Methodology

Estimated emissions are calculated agreement-specifically, but no account is taken of the vehicles' propulsion system (e.g. whether it is electric, hybrid or internal combustion). Because this corresponds to Option 3b of the PCAF Standard, a data quality score of 5 is allocated. Emission factors are sourced from the PCAF database. The distance travelled per vehicle type is based on data from Statistics Finland (2018). Emissions associated with single financed vehicles are calculated by multiplying the average distance travelled by the allocated emission factor. The emission calculations cover around 79% of OP's motor vehicle portfolio.

It was possible to assess the Scope 1 emissions of financed motor vehicles based on emission data. Motor vehicles' Scope 2 emissions consist of emissions associated with the electricity generation of power used by electric vehicles: OP Financial Group has no information about these emissions, but assumes that they account for a small share of financed emissions. Financed vehicles were selected for calculation on the basis of data availability. They had to fulfil two criteria in order to be included – the average distance travelled must be available from Statistics Finland and average emission factors associated with distance travelled must be available from the PCAF database. Passenger cars, lorries, light lorries, vans and buses were included in the calculations because they fulfilled these criteria.



> Comments on the results

OP Financial Group's financed emissions from its motor vehicle portfolio were 254,865 tCO₂e in 2023. The portfolio included 190,166 motor vehicles. The PCAF data quality score was 5. The results cover 79% of the portfolio.

Reported emissions grew by 23.9% compared to 2022. This was mainly due to the change in emission factors, provided by the PCAF, for calculating emissions associated with vans. Emissions changed for all vehicle types, but most in relation to vans. The new emission factors are more realistic with respect to vehicle types' emissions per kilometre driven. Otherwise, the growth in financed emissions is mainly explained by an increase in the number of motor vehicles. OP's internal and unaudited calculations indicate that emissions grew by 15.5% last year, if previous year's emissions (calculated using the new factors) are used as a benchmark. This growth is largely due to growth in the number of vehicles in the portfolio.

Listed equity and corporate bonds

> Introduction

Last year we reported the listed equity and corporate bonds asset class under 'Asset management'. This year, we have adopted the PCAF Standard's naming convention for asset classes. Asset management is in the process of migrating from the old GHG emissions calculation methodology to the PCAF approach. However, to ensure that various asset management reports remain mutually consistent and comparable across time, we will continue using the old methodology in several other reports, while using the PCAF approach in this report. This year's report is the first to include financed emissions associated with OP Corporate Bank's bond portfolio.

> GHG emissions

	Financed emissions, Scope 1 and 2, tCO ₂ e	PCAF data quality score, weighted average	Scope 1 and 2 emission intensity (tCO ₂ e/per million euros invested)*	Percentage of portfolio covered
OP Corporate Bank	20,754	3.08	59.16	100%
OP funds	1,218,557	2.10	59.32	82%
Pohjola Insurance	196,491	2.05	77.60	89%
OP Life Assurance Company	149,271	2.04	54.93	88%
OP-Eläkesäätiö (pension foundation)	11,193	2.07	53.47	94%

	Financed emissions, Scope 3, tCO ₂ e	PCAF data quality score, weighted average	Scope 3 emission intensity (tCO ₂ e/per million euros invested)*	Percentage of portfolio covered
OP Corporate Bank	110,228	3.08	314.23	100%
OP funds	6,556,065	2.42	346.70	76%
Pohjola Insurance	818,234	2.35	376.84	76%
OP Life Assurance Company	844,263	2.35	370.72	74%
OP-Eläkesäätiö (pension foundation)	74,235	2.41	380.83	87%

* This indicator is often defined as the carbon footprint in accordance with the Sustainable Finance Disclosure Regulation (SFDR). In this table 'tCO₂e/per million euros invested' includes only assets managed in relation to investments for which financed emission figures are available.

> Methodology

We assess financed emissions for each portfolio in line with the PCAF's guidelines, by calculating our total share of emissions associated with companies in each portfolio. The factor indicating our share of emissions is expressed as the ratio between the portfolio investment (measured as the market value of equity, or the book value of the bonds forming the outstanding debt owed by the borrower to the lender) and each company's enterprise value (EVIC). Only listed equities and bonds are included in calculations. In some cases concerning OP Corporate Bank's portfolio, enterprise value is the total value of the company's equity and debt (calculated according to the PCAF Standard) if EVIC figures are not available. We ignore short positions in equities and bonds, since they are not included in the PCAF's definition of financed emissions.

In relation to the portfolios of OP funds, Pohjola Insurance, OP Life Assurance Company and OP-Eläkesäätiö, all emission data, data quality and EVIC (enterprise value) information is sourced from MSCI ESG Research. In the case of OP Corporate Bank's portfolio, calculations also included emission estimates based on economic activities and provided by the PCAF standard, and manually collected emission and financial figures reported and verified by the company in question. Scoring of portfolio-level data quality in line with the PCAF Standard is measured company-specifically, as a weighted average.

> Comments on the results

Assets under management by OP funds, Pohjola Insurance, OP Life Assurance Company and OP-Eläkesäätiö – which are used as the basis for calculating financed emissions – grew year-on-year. This was due to growth both in data coverage and in the listed securities held in the portfolios. Scope 1 and 2 emissions financed through listed equities and bonds decreased, year on year, by 7% in OP funds and 11% in OP Life



Assurance Company. Because of growth in assets under management (AUM), financed emissions per million euros invested (emission intensity) decreased by 15.2% in the case of OP funds and by 16.6% for OP Life Assurance Company. On the other hand, growth in AUM led to an increase in the Scope 1 and 2 emissions financed by Pohjola Insurance and OP-Eläkesäätiö. OP-Eläkesäätiö's Scope 1 and 2 emission intensity fell by 10.3%, but that of Pohjola Insurance rose by 2.6% compared to the previous year. In general, we can confirm that year-on-year changes in our Scope 1 and 2 financed emissions are in line with our emissions reduction targets.

This year, we are reporting for the first time on Scope 3 emissions financed by our activities. For this reason, we have also calculated Scope 3 figures for the previous year, as a point of comparison. As for Scope 1 and 2 financed emissions, year-on-year growth occurred in the assets under management (by OP funds, Pohjola Insurance, OP Life Assurance Company and OP-Eläkesäätiö) that are used as the basis for calculating Scope 3 financed emissions. Despite this growth, OP funds' Scope 3 emissions decreased by 0.6%. Pohjola Insurance's and OP-Eläkesäätiö's Scope 3 financed emissions per million euros invested were at almost the same level as a year earlier, whereas those of OP-Eläkesäätiö decreased by 10% in 2023.

This year, we are reporting financed emissions associated with OP Corporate Bank's bond portfolio for the first time. Emission data coverage reached 100% of the portfolio, including Scope 1, 2 and 3 emissions.

Insurance

> Introduction

Regarding the insurance business, Pohjola Insurance adopted the PCAF Standard in 2023. The Standard provides methodological guidance on the measurement of insurance-associated emissions in two segments: motor vehicle insurance for personal and corporate customers, and property and general liability insurance for corporate customers.

Motor vehicle insurance for personal customers includes motor liability insurance and comprehensive motor vehicle insurance issued by Pohjola Insurance. The vehicle types covered are passenger cars, vans, lorries and campervans. Motorcycles, mopeds, snowmobiles, quad bikes and tractors are ignored in emission calculations, because the required data on emissions and kilometres driven is currently unavailable. Around 95% of premiums written per vehicle type are covered by the calculations.

Corporate insurance includes property, motor vehicle and personal insurance issued by Pohjola Insurance. Emissions associated with companies' personal insurance are not included because they are not covered by the Standard. Around 55% of premiums written are covered by the calculations.

> GHG accounting results

	Insurance-associated emissions, Scope 1 and 2, tCO ₂ e	PCAF data quality score	Percentage of portfolio covered
Personal customers' motor vehicle insurance	146,116	2.3	95%
Corporate insurance	88,372	5	55%

	Insurance-associated emissions, Scope 3, tCO ₂ e	PCAF data quality score	Percentage of portfolio covered
Corporate insurance	98,382	5	55%

> Methodology

Around 790,000 passenger cars are insured under motor vehicle insurance for personal customers. Emission data was available for 46% of these cars, and modelling was used for 48%. The insured cars' average emission value was used for the remaining 6% of insured vehicles, for which modelling was not possible. Figures on kilometres driven were available for around 53% of passenger cars. The median of kilometres driven (based on the available data) was applied to the remaining 47%. The data quality score for passenger cars is 2. Around 68,000 vans, campervans and lorries are insured by OP Pohjola. Because the related emission factors were sourced from the PCAF database, they have a data quality score of 4. The emissions of vehicles in the portfolio were calculated using a global emission factor of 6.99%, as provided by the PCAF Standard and its guidance. This factor is used to allocate the appropriate share of the vehicles' total emissions to the insurance activities.

Estimated emissions associated with corporate insurance were calculated in line with Option 3 of the PCAF Standard, based on which insurance-associated emissions are calculated by multiplying insurance premiums written by the emission factor provided by the PCAF Standard. Use of this methodology provides a data quality score of 5. Emission factors are sourced from the PCAF database. Insurance premiums and industry-specific emission factors were used in accordance with company and standard industrial classification codes. The calculated emissions cover around 55% of OP's corporate insurance portfolio.

> Comments on the results

We have calculated industry-specific shares of emissions associated with corporate insurance and use this data to develop Pohjola Insurance's responsible business activities.



GRI content index

This report has been prepared with the GRI Standards.

Disclosure Number	GRI Standards disclosure	Location	Comments
GRI 2: General disclosures (2021)			
Organizational profile			
2-1	Organizational details	OP Financial Group in brief, p. 4	
2-2	Entities included in the organization's sustainability reporting	OP Financial Group	
2-3	Reporting period, frequency and contact point	1 January–31 January 2023, annually, viestinta@op.fi	
2-4	Restatements of information	No	
2-5	External assurance	OP Financial Group in 2023 and Sustainability: Independent assurance report	
Activities and workers			
2-6	Activities, value chain and other business relationships	OP Financial Group in 2023 and Sustainability: OP Financial Group in short, p. 4 Retail Banking, Corporate Banking, Insurance, p. 16–18	
2-7	Employees	OP Financial Group in 2023 and Sustainability: People and Communities p. 34–36, GRI 2–7, p. 51–52	b) 13,806 Employees in total, 8,978 women, 4,771 men, 57 other or with missing information ii) 810 temporary employees, of whom 480 women and 330 men and 0 other or with missing information iii) 12,595 full-time employees, of whom 8,043 women, 4,503 men and 49 other or with missing information iv) 1,211 part-time employees, of whom 935 women, 268 men and 8 other or with missing information c) i) Stated as the number of employees ii) As of the end of the reporting period d) Data sourced from OP Financial Group's operational HR system, SuccessFactors Employee Central e) No significant variation
2-8	Workers who are not employees	OP Financial Group in 2023 and Sustainability: People and Communities p. 34–36, GRI 2–8, p. 53	No significant variation.
Hallinnointi			
2-9	Governance structure and composition	OP Financial Group Corporate Governance Statement 2023	
2-10	External initiatives	OP Financial Group Corporate Governance Statement 2023	
2-11	Chair of the highest governance body	OP Financial Group Corporate Governance Statement 2023	
2-12	Role of the highest governance body in overseeing the management of impacts	OP Financial Group Corporate Governance Statement 2023	
2-13	Delegation of responsibility for managing impacts	OP Financial Group Corporate Governance Statement 2023	
2-14	Role of the highest governance body in sustainability reporting	OP Financial Group Corporate Governance Statement 2023	
2-15	Conflicts of interest	OP Financial Group in 2023 and Sustainability: Corporate Governance	
2-18	Communication of critical concerns	OP Financial Group Corporate Governance Statement 2023	
2-19	Collective knowledge of the highest governance body	OP Financial Group Corporate Governance Statement 2023	



Disclosure Number	GRI Standards disclosure	Location	Comments
2-20	Evaluation of the performance of the highest governance body	OP Financial Group Corporate Governance Statement 2023	
2-21	Annual total compensation ratio	GRI indicators, GRI 2-21, p. 51	
Strategy, policies and practices			
2-23	Statement on sustainable development strategy	OP Financial Group in 2023 and Sustainability: Climate and the Environment, People and Communities, and Corporate Governance	
2-24	Policy commitments	OP Financial Group in 2023 and Sustainability: Climate and the Environment, People and Communities, and Corporate Governance	
2-26	Embedding policy commitments	OP Financial Group in 2023 and Sustainability: Corporate Governance p. 45	
2-27	Processes to remediate negative impacts	OP Financial Group in 2023 and Sustainability: Corporate Governance p. 42–48	On 7 September 2023, the Financial Supervisory Authority issued a public warning to Pohjola Insurance for neglecting to comply with the Workers' Compensation Act's provisions concerning deadlines and the governance structure.
Stakeholder engagement			
2-29	Approach to stakeholder engagement	OP Financial Group in 2023 and Sustainability: Building Finland Together p. 41	
2-30	Collective bargaining agreements	OP Financial Group's Year 2023 and Sustainability: GRI 2-30, p. 53	a) 93% of employees are covered by collective agreements and 7% are covered by non-collective agreements b) OP Financial Group has two distinct groups of employees differing from each other: 1) Employees of companies operating in sectors without a national collective agreement in Finland (real estate brokerage and building management sectors). The employment terms of all employees in such companies are determined on the basis of their employment contract and laws regulating employment relationships. 2) Employees in executive positions in companies applying national collective agreements in Finland, or employees in other positions with employment contracts to which a collective agreement does not apply based on regulations concerning the scope of application of collective agreements. The employment terms of these persons are determined on the basis of their employment or executive contract and applicable legislation. According to the terms and conditions of annual leave, executives and managing directors are entitled to the same holiday bonus and other holiday-related benefits as employees covered by a collective agreement.
GRI 3: Material Topics (2021)			
3-1	Process to determine material topics	OP Financial Group in 2023 and Sustainability: OP Financial Group's Sustainability Programme p. 20–25	
3-2	List of material topics	OP Financial Group in 2023 and Sustainability: OP Financial Group's Sustainability Programme p. 20–25	
3-3	Management of material topics	OP Financial Group in 2023 and Sustainability: OP Financial Group's Sustainability Programme p. 20–25	



Disclosure Number	GRI Standards disclosure	Location	Comments
Economic standards			
GRI 201: Economic performance (2016)			
201-1	Direct economic value generated and distributed	GRI 201-1, p. 53, OP Financial Group's Report by the Board of Directors and Financial Statements 2023	
201-2	Financial implications and other risks and opportunities due to climate change	OP Financial Group in 2023 and Sustainability: Climate and the Environment p. 26-33	
201-3	Defined benefit plan obligations and other retirement plans	OP Financial Group's Report by the Executive Board and Financial Statements 2023	Reported impacts include descriptions of regional impacts and community investments. Item b) does not apply to the calculation of indirect economic impacts significant to OP.
201-4	Financial assistance received from government		OP Financial Group has not received financial assistance from government.
GRI 202: Market presence (2016)			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		OP does not report indicator 202-1, because a minimum wage has not been set under Finnish law.
GRI 203: Indirect economic impacts (2016)			
203-2	Significant indirect economic impacts	OP Financial Group in 2023 and Sustainability: People and Communities p. 34-41	
GRI 205: Anti-corruption (2016)			
205-1	Operations assessed for risks related to corruption	OP Financial Group's Year 2023 and Sustainability: Corporate Governance p. 44	a) OP Financial Group in 2023 and Sustainability. No significant corruption-related risks were identified in 2023. Significant operational risks related to corruption in 2023 involved money laundering and sanctions. Identified risks to operations with a critical residual risk involved a shortcoming related to the continuous monitoring of business transactions and a risk of neglect related to CDD information. b) Risk assessments are carried out using a procedural approach, so their precise details or coverage are not available by organisation: The number of risk analyses related to corruption has not been reported
205-2	Communication and training about anti-corruption policies and procedures	OP Financial Group's Year 2023 and Sustainability: GRI 205-2, p. 53	a) and d) Code of Business Ethics 33 (Central cooperative governance) and 1,603 (OP cooperative bank management) Managing conflicts of interest and anti-corruption 1,782 (OP cooperative bank management) Code of Business Ethics and Managing conflicts of interest and anti-corruption in OP Financial Group governance studies follow-up period will be held on 1 September 2022-31 August 2023 b) Code of Business Ethics 8,959, 95% (Central cooperative), 5,657, 99% (banks) Managing conflicts of interest and anti-corruption 2023 8,968, 95% (Central cooperative), 5,651, 99% (banks) C) 91.6% Supplier Code of Conduct
205-3	Confirmed incidents of corruption and actions taken		No incidents in 2023.



Disclosure Number	GRI Standards disclosure	Location	Comments
GRI 206: Anti-competitive behavior (2016)			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		On 15 December 2022, the Finnish Market Court found the Finnish Real Estate Management Federation and companies represented on its Board guilty of prohibited cooperation between competitors (cartel) in the Finnish real estate management services market between 2014–2017. During said period, a person who worked at OP Koti Kainuu real estate agency was a member of the Board of the Finnish Real Estate Management Federation. For this reason, the Market Court has imposed a fine of 65,000 euros on OP Koti Kainuu. The decision is not yet final, the Finnish Competition and Consumer Authority has filed a complaint to the Supreme Administrative Court.
Environmental standards			
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	OP Financial Group in 2023 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 32, GRI indicators, p. 54	
302-3	Energy intensity	OP Financial Group in 2023 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 32, GRI indicators, p. 54	The figure includes all employees (Finland + Baltic countries).
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	OP Financial Group in 2023 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 32, GRI indicators, Basis and indicators of GRI reporting, p. 49	
305-2	Energy indirect (Scope 2) GHG emissions	OP Financial Group in 2023 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 32, GRI indicators, Basis and indicators of GRI reporting, p. 49	
305-3	Other indirect (Scope 3) GHG emissions	OP Financial Group in 2023 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 32, GRI indicators, Basis and indicators of GRI reporting, p. 49	
305-4	GHG emissions intensity	OP Financial Group in 2023 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 32, GRI indicators, Basis and indicators of GRI reporting, p. 49	The figure includes all employees (Finland + Baltic countries).
305-5	Reduction of GHG emissions	OP Financial Group in 2023 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 32, GRI indicators, Basis and indicators of GRI reporting, p. 49	
GRI 306: Waste (2020)			
306-2	Management of significant waste- related impacts	GRI 306-2, p. 55	Amount of hazardous waste 1 tonne
GRI 308: Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria	OP Financial Group in 2023 and Sustainability: Corporate Governance p. 47–48	91.6% of contract suppliers in OP's supply chains will commit to our Supplier Code of Conduct.



Disclosure Number	GRI Standards disclosure	Location	Comments
Social standards			
GRI 401: Employment (2016)			
401-1	New employee hires and employee turnover	OP Financial Group in 2023 and Sustainability: GRI indicators, p. 55–56	
401-3	Parental leave	OP Financial Group in 2023 and Sustainability: GRI indicators, p. 57	
GRI 402: Labor/ management relations (2016)			
402-1	Minimum notice periods regarding operational changes	OP Financial Group in 2023 and Sustainability: People and Communities p. 34–40	Regarding corporate restructuring, procedural rules covering employees subject to such arrangements are provided for in the Employment Contracts Act; employers with more than 20 staff in regular employment are subject to the Co-operation Act in this respect. Actual notice periods are only prescribed by law in cases involving a business transfer, merger or division of an employer subject to the Co-operation Act.
GRI 403: Occupational health and safety (2018)			
403-8	Workers covered by an occupational health and safety management system	OP Financial Group's Year 2023 and Sustainability: GRI 403–8, p. 35, p. 57	
403-9	Work-related injuries	OP Financial Group's Year 2023 and Sustainability: GRI 403–9, p. 35, p. 57	
403-10	Work-related ill health	OP Financial Group's Year 2023 and Sustainability: GRI 403–10, p. 35, p. 58	
GRI 404: Training and education (2016)			
404-1	Average hours of training per year per employee	OP Financial Group's Year 2023 and Sustainability: GRI 404–1, p. 35, p. 58	
404-2	Programs for upgrading employee skills and transition assistance programs	OP Financial Group in 2023 and Sustainability: People and Communities p. 34–40	
404-3	Percentage of employees receiving regular performance and career development reviews	OP Financial Group's Year 2023 and Sustainability: GRI 404–3, p. 58	
GRI 405: Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	OP Financial Group's Year 2023 and Sustainability: GRI 405–1, p. 59	
405-2	Ratio of basic salary and remuneration of women to men	OP Financial Group's Year 2023 and Sustainability: GRI 405–2, p. 60	
GRI 406: Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken		No reported incidents of discrimination in 2023.
413-1	Operations with local community engagement, impact assessments, and development programs	OP Financial Group in 2023 and Sustainability: People and Communities p. 34–40	
GRI 414: Supplier social assessment (2016)			
414-1	New suppliers that were screened using social criteria	OP Financial Group in 2023 and Sustainability: Corporate Governance p. 48	
GRI 415: Public policy (2016)			
415-1	Political contributions		OP does not support political parties.

Independent Practitioners' Assurance Report to the Management of OP Cooperative

This document is an English translation of the Finnish language original report

We have been engaged by the Management of OP Cooperative (0242522-1) to provide limited assurance on selected sustainability indicators (hereafter 'Selected Sustainability Information') presented in OP Financial Group's annual report for the year ended 31 December 2023.

The Selected Sustainability Information consists of the following indicators:

- Reported numerical information related to GRI Standards listed in the GRI content index
- OP1 "Number of attendees on financial literacy courses"
- OP2 "Number of attendees on digital training courses"

Management's responsibilities

The Management of OP Cooperative is responsible for the preparation and presentation of the Selected Sustainability Information in accordance with the reporting criteria (hereafter "Reporting Criteria"), i.e., the company's reporting guidelines and GRI Sustainability Reporting Standards, as well as principles applied in the calculation of financed emissions according to the Partnership for Carbon

Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard (2022). The Management is also responsible for determining OP Cooperative's objectives with regard to sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our assurance engagement on the Selected Sustainability Information in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board IAASB. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Sustainability

Information is free from material misstatement. The nature, timing and extent of the assurance procedures selected depend on professional judgement, including the assessment of material misstatement due to irregularity or error. We believe that the evidence we obtain is sufficient and appropriate to provide a basis for our conclusion on limited assurance.

We are independent of the company in accordance with the ethical requirements applicable in Finland to the engagement we have undertaken and have fulfilled our other ethical obligations under those requirements.

KPMG Oy Ab applies the International Standard on Quality Management ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures performed

A limited assurance engagement on Selected Sustainability Information consists of making inquiries, primarily of persons responsible for the preparation

of information presented in the Selected Sustainability Information, and applying analytical and other evidence gathering procedures, as appropriate. In the engagement, we have performed the following procedures, among others:

- Interviewed a member of OP Cooperative's management and relevant staff responsible for providing the Selected Sustainability Information;
- Assessed the application of the Reporting Criteria in the presentation of the Selected Sustainability Information;
- Assessed data management processes, information systems and working methods used to gather and consolidate the Selected Sustainability Information;
- Reviewed the presented Selected Sustainability Information and assessed its quality and reporting boundary definitions;
- Assessed the Selected Sustainability Information's data accuracy and completeness through a review of the original documents and systems on a sample basis.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Sustainability Information subject to the limited assurance engagement is not prepared, in all material respects, in accordance with the Reporting Criteria.

Helsinki, 14 March 2024
KPMG Oy Ab

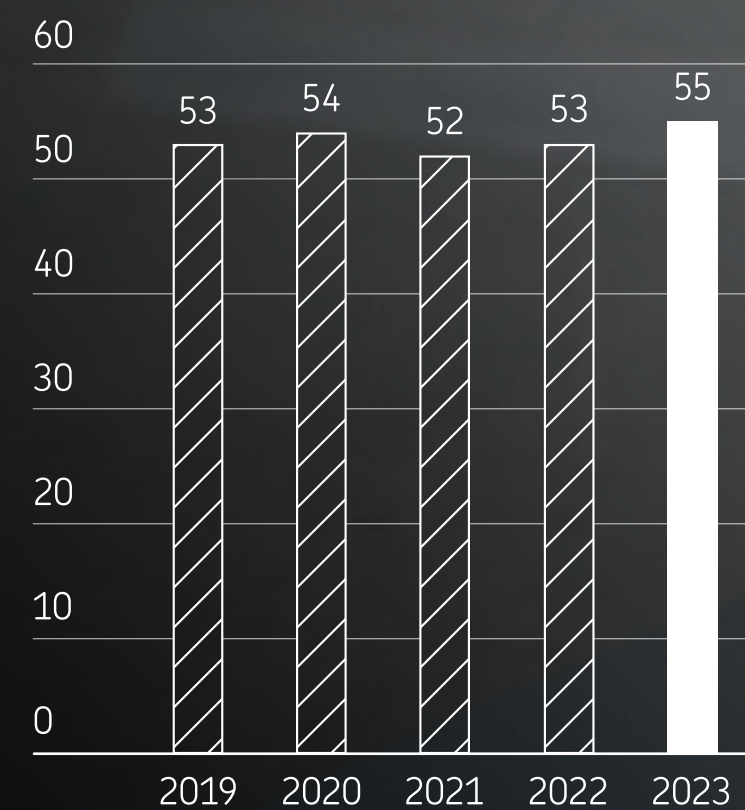
Juha-Pekka Mylén
APA

Tomas Otterström
Partner, Advisory

Data balance sheet

Data is a cornerstone of OP Financial Group's decision-making and customer focus. This section summarises our key development areas related to data and priorities in data utilisation in 2023.

Digital channels NPS*



* Net Promoter Score (NPS) measures the likelihood that a user will recommend the service on a scale of 0 to 10. The index is calculated by subtracting the percentage of detractors (scores 0–6) from the percentage of promoters (scores 9–10).



Data at the core of OP Financial Group

We utilise data in a goal-oriented way that creates value for our customers, OP Financial Group and our operating region. 2023 was one of the most active years in OP Financial Group's history for data utilisation.

In 2023, we used data across all of our business segments and functions, promoted several key areas related to data work and established data roles for business and support functions. We also introduced our own OP Data Platform and published a transparency report on data and artificial intelligence and guidelines on data responsibility and artificial intelligence. During the year, we also defined our strategic data priorities for the first time.

Strategic priorities for data

> Decentralised data development

Today, data is no longer stored and processed by only a small group of users. OP Financial Group's transition from centralised data development to a more decentralised model

of managing, utilising and publishing data has progressed rapidly. In January 2023, our cloud-based OP Data Platform tools had around 100 weekly users, and in December, the figure was up to around 300 weekly users. The majority of this group consists of existing employees of OP Financial Group, for whom the new tools and skills have enabled improved data refining and utilisation in their daily work.

One of the aims of our decentralised data development has been to increase impact through the utilisation of high-quality and easily available data. In 2023, the first data products by development teams directed by our business segments were released on the OP Data Platform. Our capability to develop in-house data products is essential in terms of data utilisation and ensuring compliance with responsibilities.

Strategic priorities for data

OP Financial Group's strategic priorities for data seek to create value for customers and for the OP Financial Group, to secure high-quality and efficient operations and to foster the data capabilities and the competitive edge which they make possible.

○ Decentralised data development

OP's business segments are more motivated and capable of taking responsibility for releasing data products and utilising data than ever before. Working practices for the shared use of data support a larger user base than previously.

○ Data quality and transparency

Customers and stakeholders have an increasing need to understand the ways in which data is used. Data ownership and the assessment of data quality are part of daily business operations. High quality data can be used in a variety of ways and in compliance with regulations.

○ Shared cloud tools

Decentralised data development is done using the OP Data Platform. The platform allows data owners to take an active role in the monitoring of data quality, for example. The platform's technical solutions use cloud tools.

○ New competencies

Training and guild activities based on professional networking help build new data capabilities at OP. The new Data Officers have significant responsibility in identifying opportunities related to data in their domain and ensuring compliance with obligations.



> Data quality and transparency

The importance of data quality assurance and data transparency was highlighted in 2023. We have invested in areas such as data architecture and data ownership by developing data and architecture steering and the Data Officer role. New data products developed by our business segments have also set a new level of data ownership. At OP Financial Group, data is divided into data domains (logical level), data-producing systems, or data assets (system level), and roles related to them.

> Shared cloud tools

In 2023, the data teams of business segments that develop data products and use data in their daily work experimented with the new cloud-based OP Data Platform, which enables decentralised data utilisation in both the business segment and in the Development & Technologies function's teams. Previously, the Development & Technologies function was responsible for tasks such as data releases.

The decentralised approach improves our ability to develop products and services. Experts of the Development & Technologies function support specialists in business segments in the release and use of data. We released the OP Data Platform to all our employees in October 2023. Towards the end

of the year, we also introduced OP's internal generative AI, Maiju, and mandatory online training on its use. During the first week, around 1,200 employees began using Maiju.

> Building new data capabilities

In 2023, we tracked the development of new data capabilities using two metrics: employee participation in data-related training and events, and development in the number of members in the data learning guild. During the year, training and events had nearly 2,400 participants, and the guild grew to nearly 600 members. Our specialists' professional networks, or guilds, bring together people with shared interests – guild members share knowledge and the results of their work while learning from each other. In recent years, we have also invested in providing versatile training to our specialists through OP Software Academy, for example.

The data development group has expanded from Data Scientists to include software developers, for example. New Data Officers are responsible for identifying, prioritising and responding to development needs within their domain. Providing opportunities for the use of data and ensuring compliance and the comprehensive management of data risks are an integral part of the role of Data Officers.



New roles in data responsibility

We want to look after all of OP Financial Group's data in a consistent manner. Ensuring data quality and appropriateness is a key part of data responsibility. In 2023, we supplemented our data governance model with new roles and by clarifying responsibilities. Our goal is to provide better data ownership opportunities for business segments.

For example, the new Data Officers form a shared decision-making body (Data Governance Forum) for the data domain and are responsible for data management within their business segment. In addition to the development teams of business segments, the central data governance function and Data and Technology Management Team support Data Officers in their work.

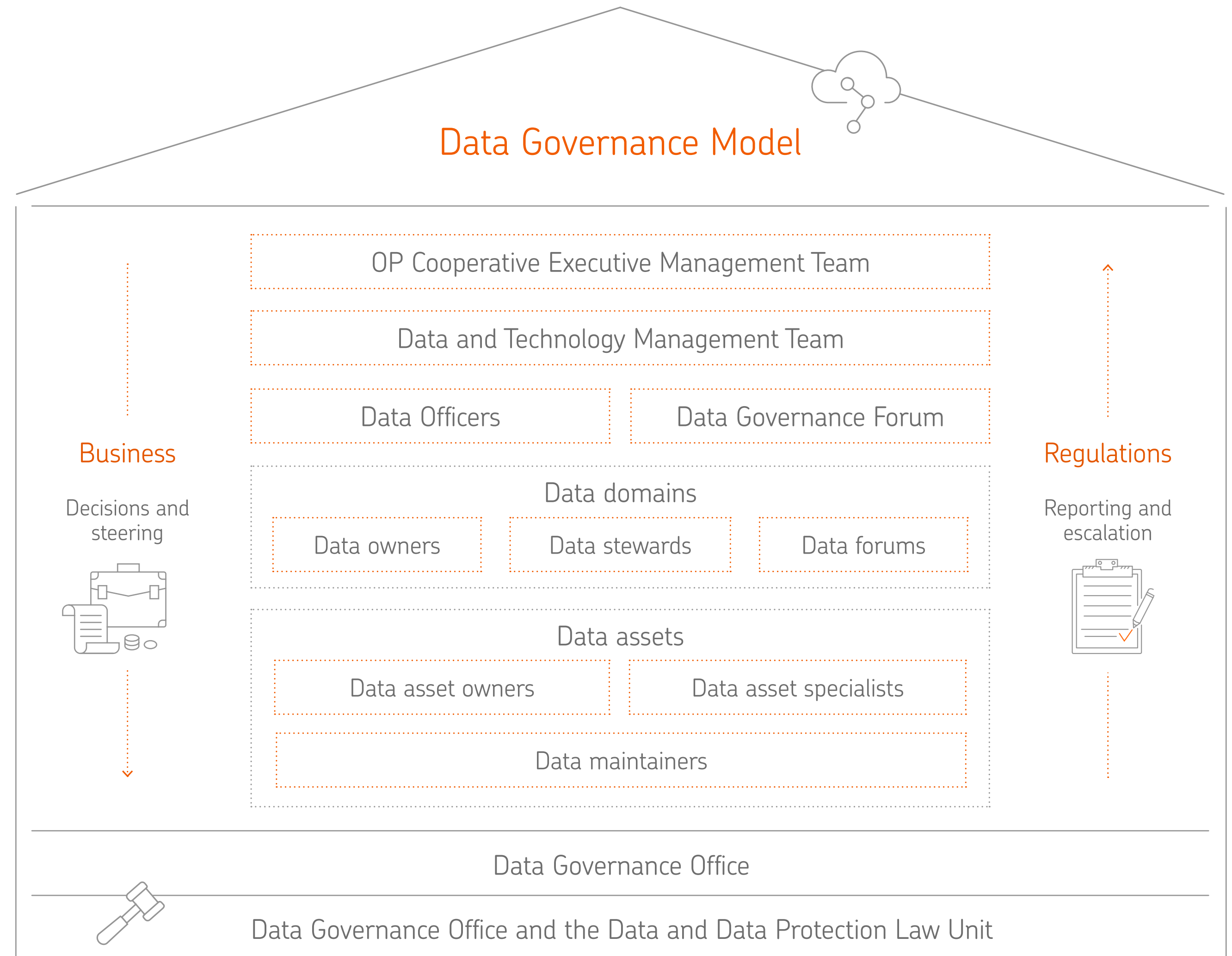
The responsibility of business segments for their data has been clarified by separating

data ownership and data system ownership and their related responsibilities. At the Group level, data assets focus on the technical aspects of data and its quality, which gives data owners and data stewards in business segments the opportunity to focus on data management from the perspective of business needs and benefits. We have clarified data ownership responsibilities by identifying commonly defined data domains with a clear data architecture and hierarchy.

Implementation of new data governance model will be carried out in stages. The central data governance function facilitates the implementation by training and supporting the new roles, clarifying the areas of responsibility and supporting the description and documentation of data. The central function also supports the description of data flows and the development of data quality management in business segments. We are actively monitoring the implementation of the data governance model.

With the aid of the data governance model, we ensure that our data management is responsible and in compliance with regulations. Data and data governance are subjected to increasing regulatory requirements, and we want to ensure compliance with regulations in all our operations. The responsible collection and processing of data is also an integral part of OP Financial Group's [sustainability programme](#).

The responsible collection and processing of data is also an integral part of OP Financial Group's sustainability programme.



Data quality management in OP Financial Group

Continuous improvement

Quality assessment

- Completeness
- Uniqueness
- Timeliness
- Compliance
- Accuracy
- Consistency
- Integrity
- Availability

Creation of quality rules

Detection of errors

Correction of cause of error

Correction of errors



We put our customer’s interests first when utilising data. We strive to follow responsible and diligent operating models and to ensure transparency in collecting, storing and processing data. We communicate transparently about our collection, processing and use of customer data. In our marketing and sales activities, we respect the limitations of customer data utilisation as described in Privacy Notices, while observing good marketing practices and regulatory compliance.

Through the responsible use of data, we also want to produce positive impacts for people, society and the environment. More information about the effects of data on our stakeholders and operating region is explained in OP Financial Group’s value creation model, which is available on page [10](#).

Artificial intelligence transparency and guidelines

In 2023, we prepared new guidelines on the use of artificial intelligence in OP Financial Group. The purpose of the guidelines is to ensure that we will continue to benefit from the advantages offered by AI, and that we use AI responsibly and transparently while managing and minimising key risks related to AI. The guidelines help us ensure that we use AI in compliance with regulations and laws.

Assessments of transparency, intelligibility and ethicality related to the use of AI

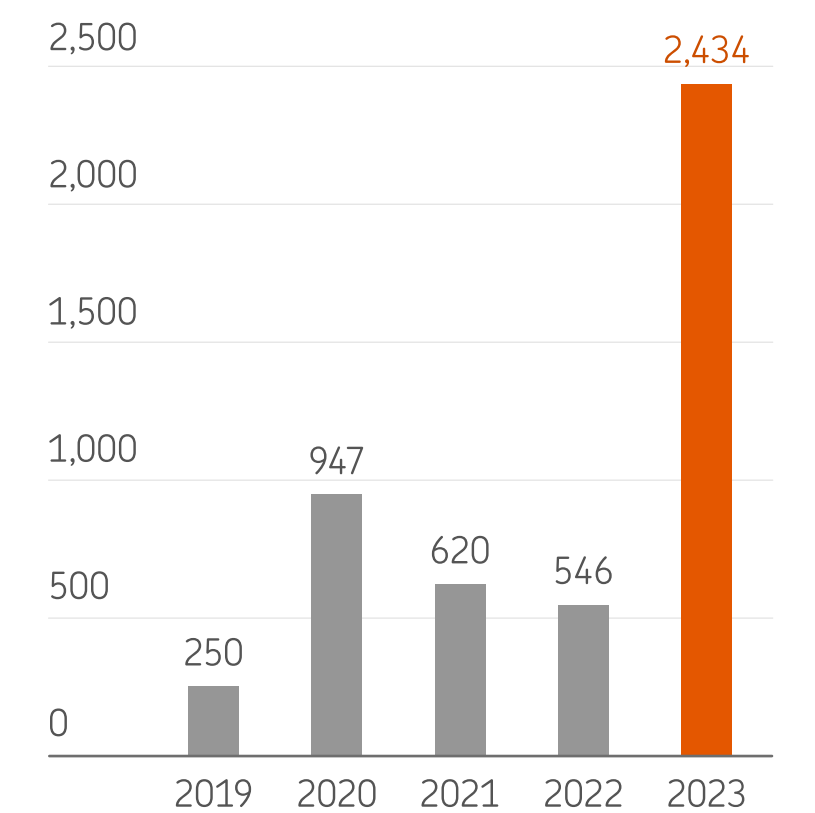
Through the responsible use of data, we want to produce positive impacts for people, society and the environment.

become increasingly common as the use of AI increases in the financial sector. Customers’ trust in the explicability, transparency and responsibility of AI forms the starting point of our development work. Those who develop and utilise AI are responsible for exercising control over it.

We use AI extensively in areas such as fraud detection, prevention of money laundering, recommending products to personal customers, forecasting trends in financial markets and appraising home values as part of the home loan application process.

OP Financial Group was one of the first Finnish institutions to publish its [ethical principles on the use of AI](#) as early as in 2018. In 2023, we published one of the world’s first extensive reports [describing the operation of an AI-based service](#). In the report, we described how the My financial balance service in OP-mobile produces benefits to users from data. Our assessment of the transparency of the AI used a model created in 2022 based on the results of the Artificial Intelligence Governance and Auditing (AIGA) project by the University of Turku and the University of Helsinki.

Customer details maintained through the My Profile service, 1,000 applications



Value from data

We use data and technology to help us coach our customers in making better financial decisions. We want to create sustainable value for our customers, stakeholders and operating region.

As the largest financial services group in Finland, our mission is to promote the sustainable prosperity, security and wellbeing of our customers and operating region. Our different business segments uniquely utilise large data capital in Finland to implement this core task.

A high-quality data foundation and a combination of centralised and decentralised capabilities support and promote collaboration between business units. Based on comprehensive customer insight, our personal and digital services complement each other via multiple channels.

In addition to the continuous improvement of customer experience and services, data provides opportunities for reinforcing our business profitability and efficiency. Nearly all our new services are developed with the help of data and analytics. From the customer's perspective, the majority of our services are digital and available on mobile devices. By automating our core tasks, we facilitate customers' daily lives and improve customer experience.

ESG (Environmental, Social, Governance) is an integral part of our strategy and operations. In accordance with our sustainability programme, we promote the climate and environment as well as the wellbeing of people and communities and reinforce good governance. Key regulations that guide our sustainability reporting – including the Corporate Sustainability Due Diligence Directive (CSDD), the EU Taxonomy for sustainable activities and the Corporate Sustainability Reporting Directive (CSRD) – are based on the availability of high-quality data.

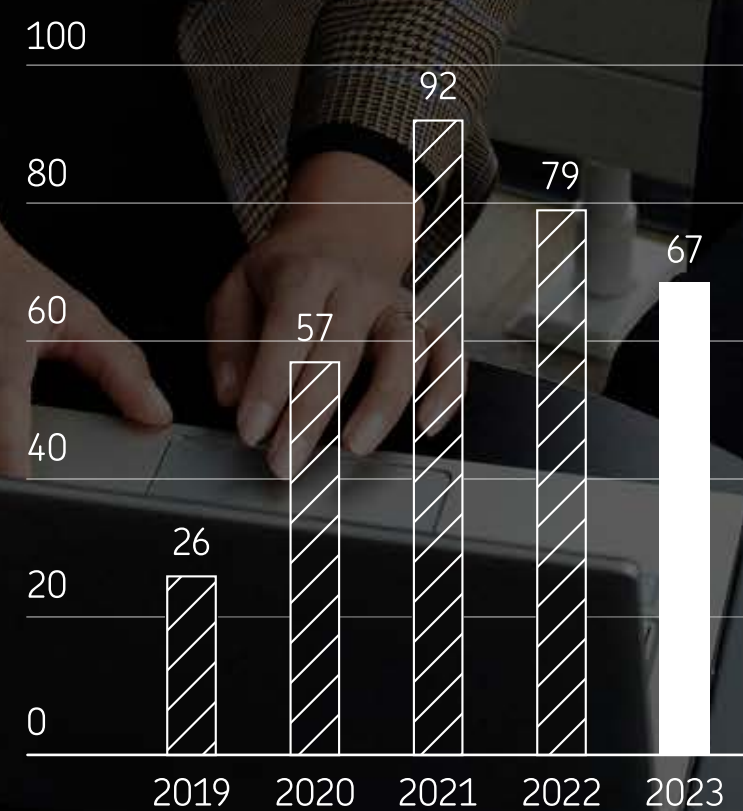
In 2023, we especially emphasised the identification of ESG data and the development of its ownership and governance. By systematically collecting ESG data, distributing it over the OP Data Platform and managing the development of the ESG data portfolio, we have reinforced our understanding of our own and our customers' impact on the environment and communities. Improvements in the quality and reliability of ESG data also produce strategic value by enabling more sustainable and responsible business.



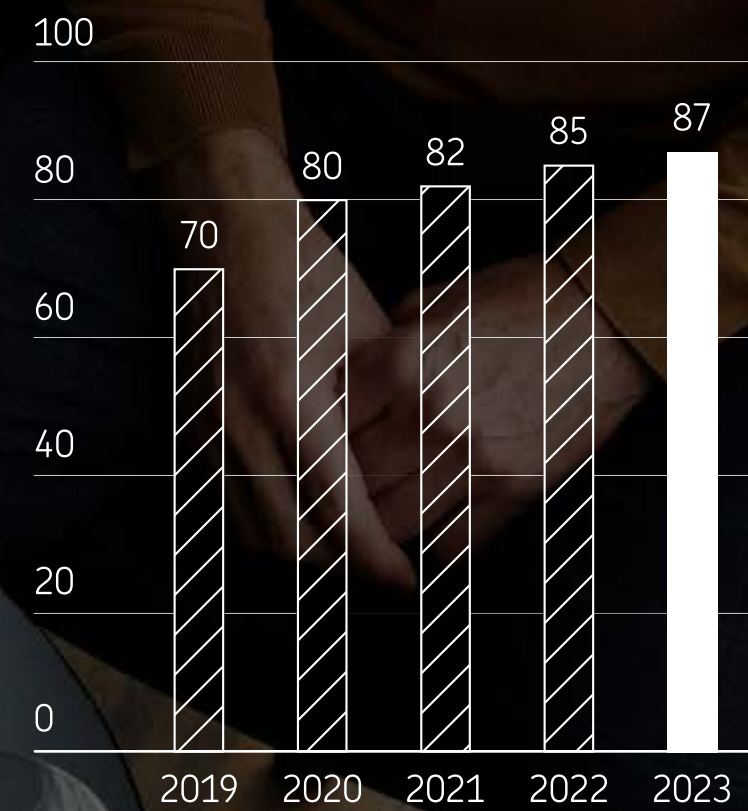
The online home price appraisal tool by OP Koti has around

700,000
users a year

Automatic processing of home loan applications, 1,000 applications



Opotti chatbot's message resolution rate, %





Focus areas of data use in OP Financial Group's business units in 2023

Retail Banking	Corporate Banking	Insurance	
		Non-life insurance	Life insurance
<p>Data enables the best customer insight, customer experience and services. Regulations and the customer's consent control how we offer our services. Data-driven system development helps ensure future data capabilities.</p>			
<p>We invested in data management to allow us to produce data-driven services cost-effectively and scalably in future.</p> <p>Individual services that use AI, such as the My financial balance tool in OP-mobile, reached more than two million users during the year.</p> <p>For example, with card payments, if a card's spending limit is exceeded, the digital assistant in OP-mobile helps the customer rectify the matter.</p>	<p>We increased the transparency of pricing in electronic foreign exchange trading with the aid of rating models.</p> <p>We focused on predicting the needs of our asset and wealth management clients based on data to provide better and more targeted services.</p> <p>We proactively identified business risks through systematic data management and analytics.</p> <p>We continued experiments and pilots by using predictive analytics and artificial intelligence.</p>	<p>We continued the design of an omnichannel customer experience based on data and analytics.</p> <p>We introduced data-driven automation as a tool to help claims advisors process claims from customers and to identify fraudulent claims more efficiently.</p> <p>We developed our ability to identify customers' need of security and offer risk-based pricing of products to better meet our customers' individual needs.</p>	<p>We developed data-driven leadership and process efficiency by investing in a cloud-based analytics platform and data products.</p> <p>We used process automation to increase the efficiency of processing assignments in service and claims processes to enable a high-quality, efficient and transparent overall process.</p> <p>In digital sales and marketing, we used data and analytics responsibly to increase customer insight, both as part of the development of the customer experience and intelligent marketing automation and in strategic and operational decision making.</p>
<p>ESG data is utilised extensively in offering sustainable products and services.</p>		<p>Precise and comprehensive measurement and analysis of customer relationships improves the ability of all OP employees to take our customers' needs into account.</p>	

Cybersecurity and data protection are ensured in all operations.



Focus areas of data use

> Retail Banking

The Retail Banking segment has a long history of utilising data-driven services. Examples include the Chatbot Opotti, which has assisted our customers since 2019. In 2023, the Opotti chatbot responded to thousands of questions from customers each month. The Digital Assistant and My financial balance service are also examples of services that are visible to customers.

Consumer expectations of our services have increasing during the last year, and we believe that the ongoing AI boom will increase competition between international data-centric operators. In 2023, we made significant investments in the creation of a modern data culture, including identifying, adopting and organising new data roles across our business operations. This helps us ensure the quality, up-to-dateness and availability of data.

> Corporate Banking

Interest in data among development teams in Corporate Banking has grown rapidly. In the last three years, the Corporate Banking segment has carried out several trials and pilot tests that use predictive analytics and AI.

We use data to predict the individual needs of our wealth management clients. With the aid of statistical AI models, we identify the products and services from which our customers stand to benefit most. Experiences of the model have been encouraging. In 2023, we also replaced the technical solution used in foreign exchange trading with a new solution that enables the classification of clients using AI.

> Non-life insurance

Data plays a significant role in the implementation of the new value proposition of Pohjola Insurance: We anticipate and assist a safer future.

In 2023, we carried out developments related to the automation of claims settlement processes. At its best, customers receive assistance in just seconds thanks to automation: for example, the Chatbot Viljo responded to more than 100,000 questions a month from customers related to insurance claims help. We also made strides in the intelligent claims settlement of property claims, in which an increasing share of property insurance claims applications are processed automatically.

In the autumn, we launched the OP Smart Contracts service with OP Corporate Bank, which is a digital service that helps improve the security and efficiency of vehicle sales between private individuals. In the service, consumers can apply for financing from OP, take out motor

vehicle insurance offered by Pohjola Insurance and pay the transaction smoothly and securely.

> Life insurance

OP Life Insurance has made significant investments in data capabilities. In 2023, we implemented new use cases in analytics related to sales, process efficiency and internal controls, among other areas. In digital sales and marketing, we use data and analytics responsibly to build customer insight and in the development of the customer experience and decision making.

Process automation increases the efficiency of processing assignments in management and claims processes, which enables a high-quality, efficient and transparent overall process. Especially in claims processes, the use of robotics has enabled a high degree of automation. In certain assignments by customers, we have achieved automation rates of more than 90%.

Popularity of mobile channels

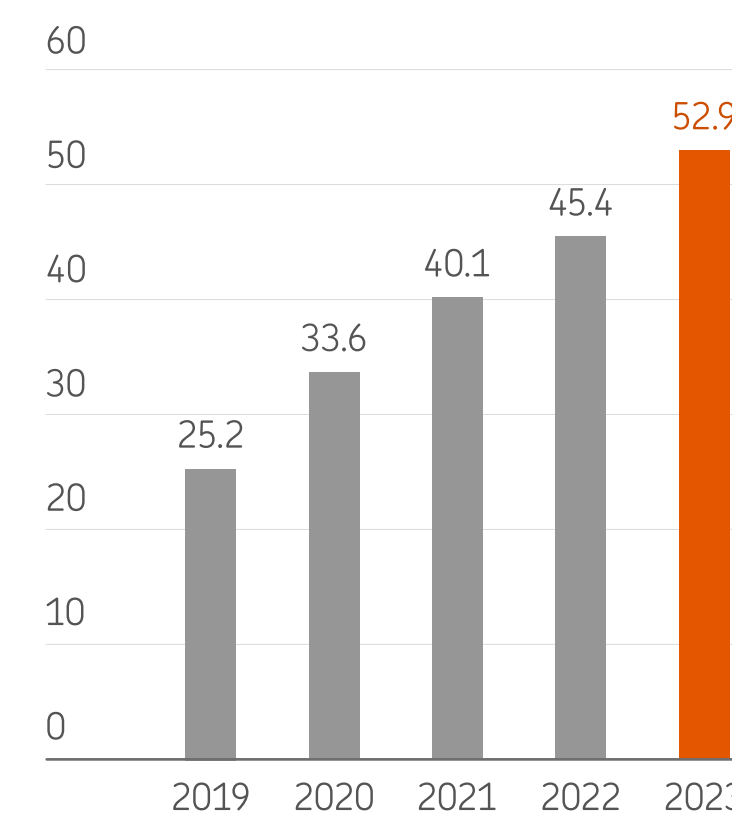
Use of services in digital channels continued to grow in 2023. The importance of mobile channels in the daily use of services continued to grow, and average monthly logins increased particularly in OP Business mobile. In accordance with its strategy, OP Financial Group develops all new services primarily for use

with mobile devices. Our aim is to stand out in the market as the provider of the smoothest service across all channels.

A customer-oriented approach and strong data security are emphasised in our design principles for digital services. Our design principles ensure that our services are developed to be convenient, useful and secure. Accessibility is a key aspect of our service design and development.

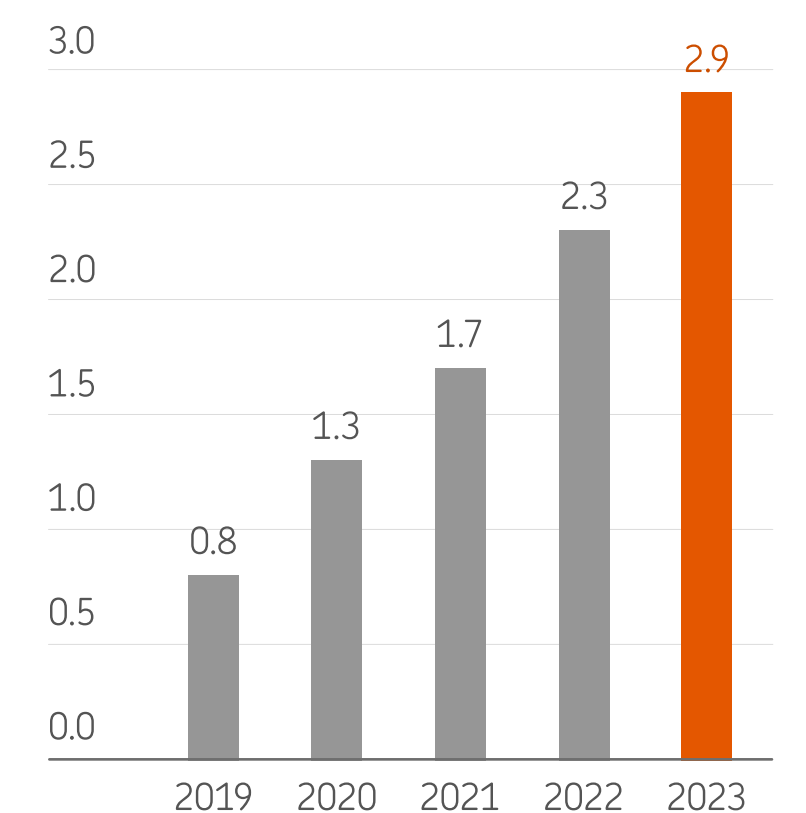
Use of OP-mobile*

million logins on average per month

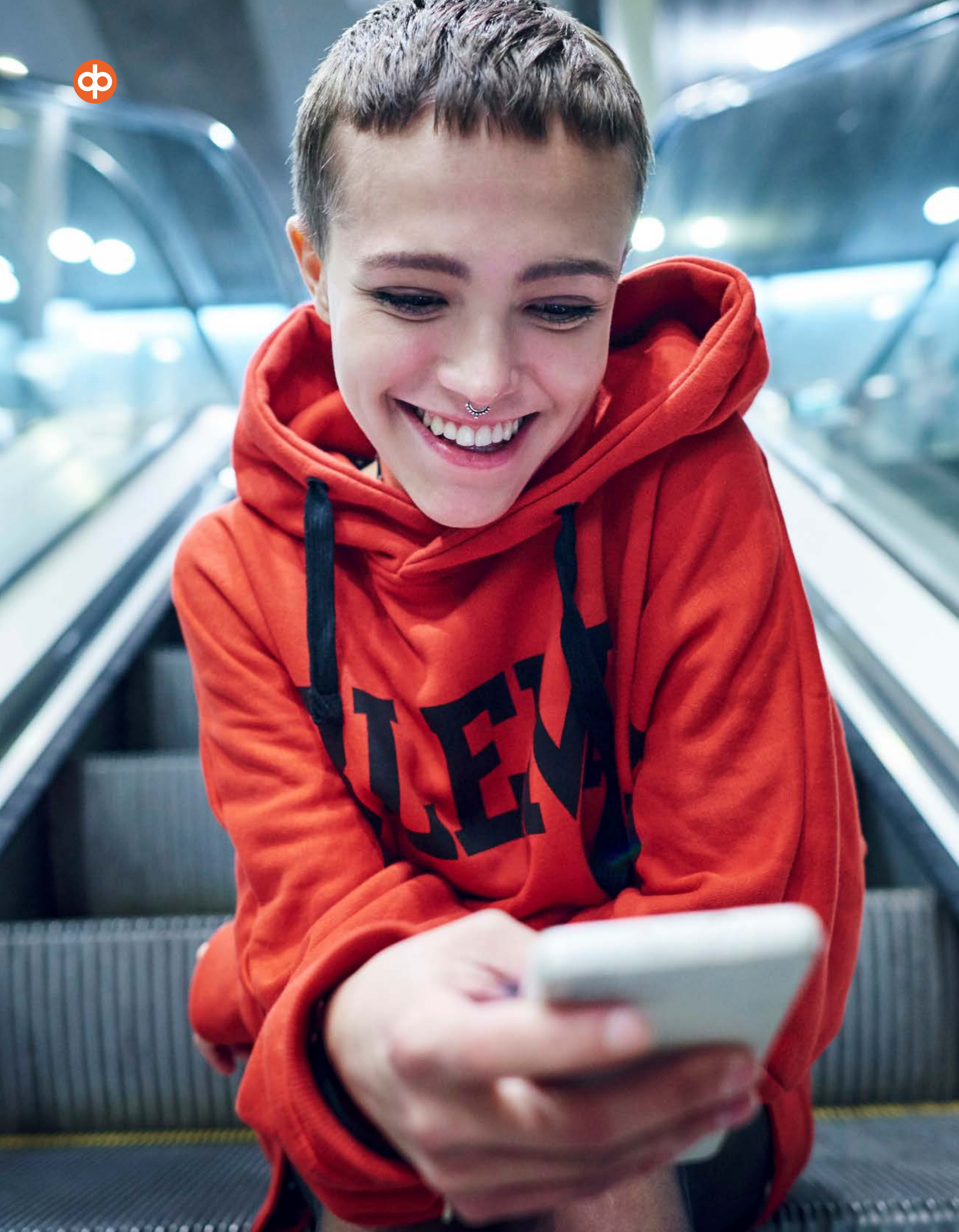


Use of OP Business mobile

million logins on average per month



* OP-mobile services for corporate customers were launched in November 2022.



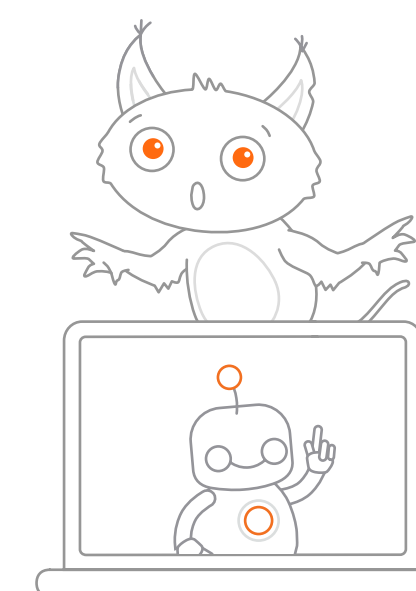
Cybersecurity and data protection

A significant transformation took place in the cybersecurity environment in 2022 after Russia's invasion of Ukraine. As a result of the war, the security situation in Europe has changed considerably and the threat level of cyber crime has been elevated in Finland. OP Financial Group protects its operations and the data of its customers and other stakeholders by maintaining a strong digital infrastructure, data security capabilities and cyber preparedness.

Cybersecurity

In 2023, cooperation with both the authorities and other operators in the sector increased significantly in both Finland and the Nordic countries. Close cooperation proved to be an effective way to maintain the resilience of the financial sector as a whole against cyber attacks.

At OP Financial Group, we have developed our cybersecurity on a long-term basis, taking into account cyber risks and continuous changes in external threats. We ensure the high quality of operations with continuous drills and tests. We maintain our competence by allocating sufficient resources. Analyses of successfully prevented attacks and systems-related vulnerabilities have shown that our joint reaction time and preventive capabilities based on competencies, processes and technologies are at a good level.



During the year, denial of service attacks increased in Finland and were also targeted at OP Financial Group's services. The impacts on our service availability remained brief and minor. Our ability to protect ourselves against and stop denial of service attacks is excellent. In addition to denial of service attacks, the volume of phishing messages from cybercriminals for data breach purposes increased during the year. At the end of 2023, we announced a data breach in the email of one of our employees. As a result of the data breach, an unauthorised party may have obtained the personal details of a limited group of customers, which is small in proportion to the total number of OP customers. The data breach did not target OP's actual customer information systems, or the information held in them, but the email of an

individual employee. It was executed using a very sophisticated attack technique that is difficult to detect and enables the bypassing of two-factor identification. This case is part of the phishing campaign about which the National Cyber Security Centre of Traficom warned organisations in the autumn of 2023.

We will continue to develop our overall cybersecurity and maintain our operational capability. Despite the ongoing level of preparedness of OP Financial Group, the financial sector and authorities, the risk of cyber attacks and other operations remains elevated.

> Cybersecurity management and cybersecurity strategy

Cyber security measures are used to manage data security risks facing OP Financial Group, protect against internal and external cyber threats, detect potential data security violations and determine how to respond to them. Our overall cybersecurity management encompasses personnel training and the maintenance of competencies, methods and capabilities related to secure development, layered protections of data systems and traffic based on data security capabilities, assurance of contingency plans and continuous testing. In 2023, we invested in the assessment of the cyberthreat landscape, among other areas.

Read more

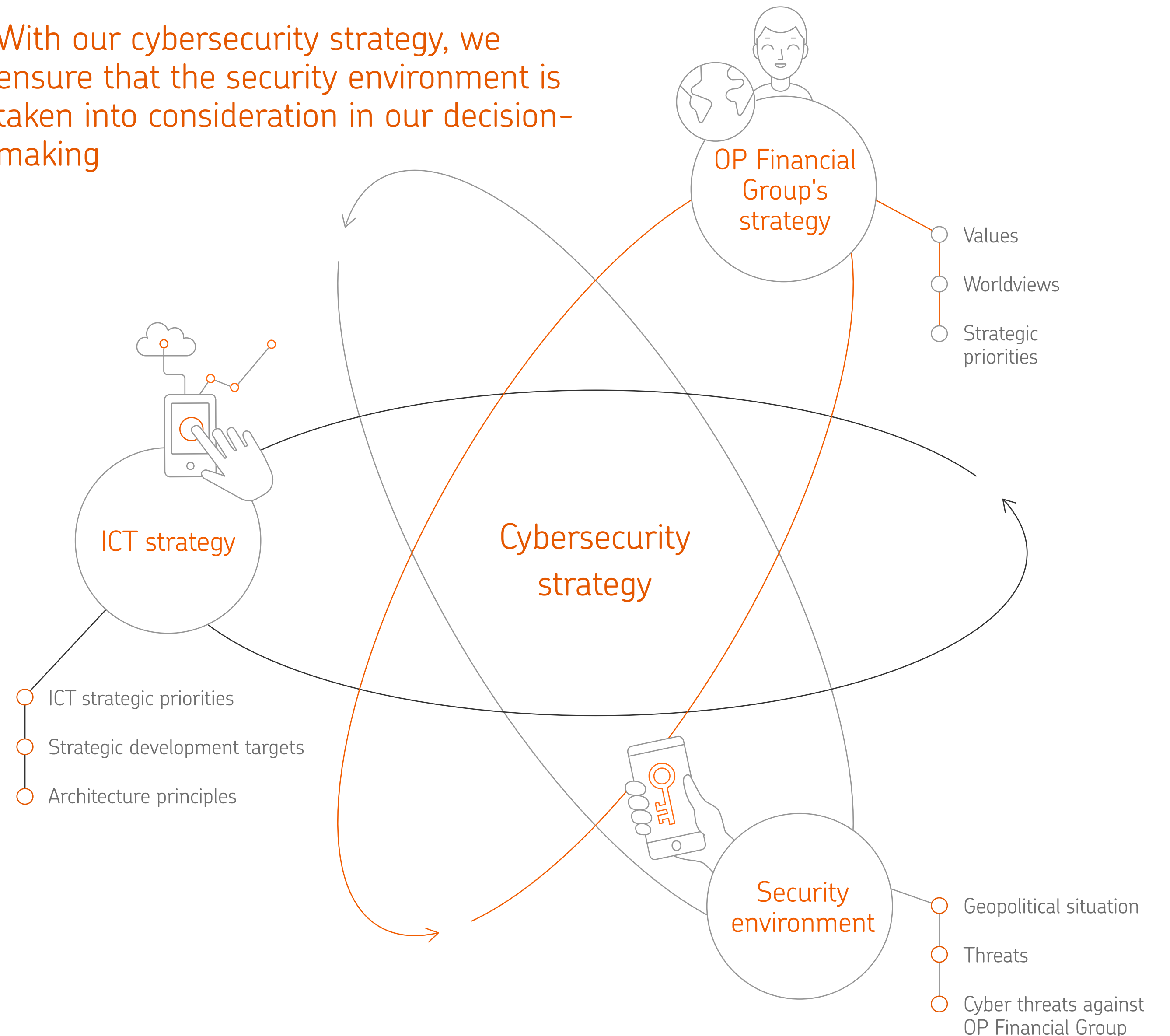
about [cybersecurity management at OP Financial Group](#).

Cybersecurity management requires continuous development and improvement to ensure that we can respond to changes in our operating region and threat landscape. Our cybersecurity development work is directed by three strategies: OP Financial Group's Strategy, ICT Strategy and Cybersecurity Strategy. Our Cybersecurity Strategy covers areas such as the geopolitical situation, general threat factors, cyber threats and their status, data security threats and external requirements. In particular, the strategy addresses requirements imposed by legislation and regulations and best practices in data security.

Data Protection

In 2023, our work on data protection was defined by the need to prepare for upcoming new regulations. Data and particularly the processing of personal data have been the subject of regulations for a long time. In the coming years, regulations will be expanded significantly in the form of the Big Five regulatory proposals, for example. Among other objectives, the regulatory proposals seek to improve the effectiveness of internal data markets in the EU and the utilisation of data while upholding citizens' rights. In the future, the financial sector will also be affected by sector-specific data regulations related to data discloses, for example (Open

With our cybersecurity strategy, we ensure that the security environment is taken into consideration in our decision-making





Finance regulations). In the spring of 2023, we established the new Data and Data Protection Law Unit focusing on these regulations as part of the Group-level Legal & Compliance function.

The EU General Data Protection Regulation (GDPR) turned five in the spring of 2023 and following this, the EU launched an evaluation of the effectiveness of the GDPR. We participated in the evaluation with our comments and through both national and international interest groups. The GDPR has proven to be effective in many respects, but development needs have also been identified. OP Financial Group's Data Protection Officer was appointed the Chair of the Data Protection Working Group of Finance Finland for 2023, which helps strengthen our role a public influencer in issues related to data.

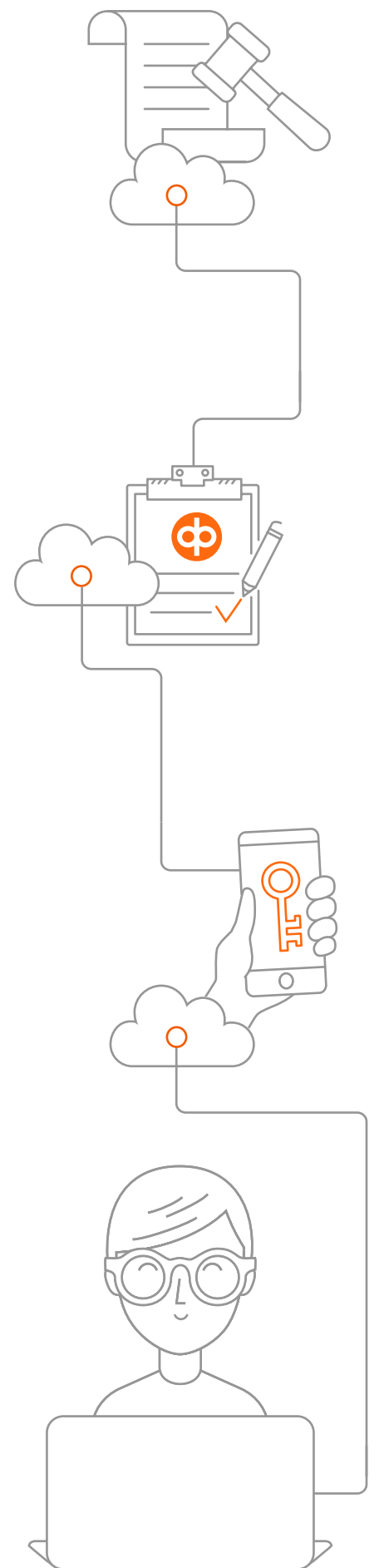
The GDPR is generally considered open to interpretation, which is why its application occasionally involves legal uncertainties. The situation causes the occasional need for controller organisations to discuss matters with the data protection authorities and administrative courts to clarify the interpretation of the regulations. In 2023, the Finnish data protection authority (the Office of the Data Protection Ombudsman) was in contact with OP Financial Group in 17 cases. The data protection authority provided guidance to OP Financial Group related to personal data processing in connection with one of the cases. OP Financial Group was not subjected to administrative fines or other corrective measures by the data

protection authority. In 2023, the OP Financial Group community was involved in one case heard by an administrative court at the national level and one case heard by the Court of Justice of the European Union.

> Enforcement of data protection and data protection organisation

OP Financial Group enforces data protection in accordance with Group-level policies and guidelines and a strong internal cooperation model. The new Data and Data Protection Law Unit supports business segments and advises on a wide range of issues. The unit is responsible for interpreting data protection legislation, drawing up guidelines and conducting data Protection Impact Assessments (DPIAs) of personal data processing. The unit maintains an overview of OP Financial Group's personal data processing and reports on data protection risks in accordance with the management system together with the Group's Data Protection Officer. The unit also works in close cooperation with key stakeholders. These include OP's cybersecurity unit, data governance, data owners in business segments and data protection contact persons of OP cooperative banks. OP Financial Group's model for the management of personal data processing is aligned with OP Financial Group's general data governance model.

In OP Financial Group's financing and insurance operations, customer service tasks that





In 2023, business segments continued to adopt measures that strengthen their ability to implement data protection requirements and general risk management related to data protection.

involve data protection have been centralised to a separate Data Protection Customer Service team. In addition, each business segment is responsible for the high data protection level of their operations and development projects. The centralised Data and Data Protection Law Unit supports the data protection work of business segments whenever necessary. In 2023, business segments continued to adopt measures that strengthen their ability to implement data protection requirements and general risk management related to data protection. Among other measures, the business segments established new data protection Product Owner roles for risk management tasks related to data protection.

Monitoring the implementation of data protection is guided by OP Financial Group's internal control processes. In practice, in addition to business segments, the monitoring of data protection issues is carried out by OP Financial Group's Data Protection Officer, Compliance function and Internal Audit function, among others.

Data protection is part of each OP employee's competence and daily work. Our common culture of data protection creates strong and multi-layered protection and enables us to quickly respond to changes. We implement and develop data protection at all levels of our operations. Cooperation between the data protection organisation, business segments, risk management and control is tight-knit.

> Data protection statistics

OP Financial Group consists of independent OP cooperative banks and the central cooperative (OP Cooperative) as well as a number of subsidiaries and affiliates. Our operations are divided into three business segments: Retail Banking, Corporate Banking and Insurance. Due to our organisational structure, the Group has hundreds of entities, each acting as individual controllers. We also maintain hundreds of separate personal data files.

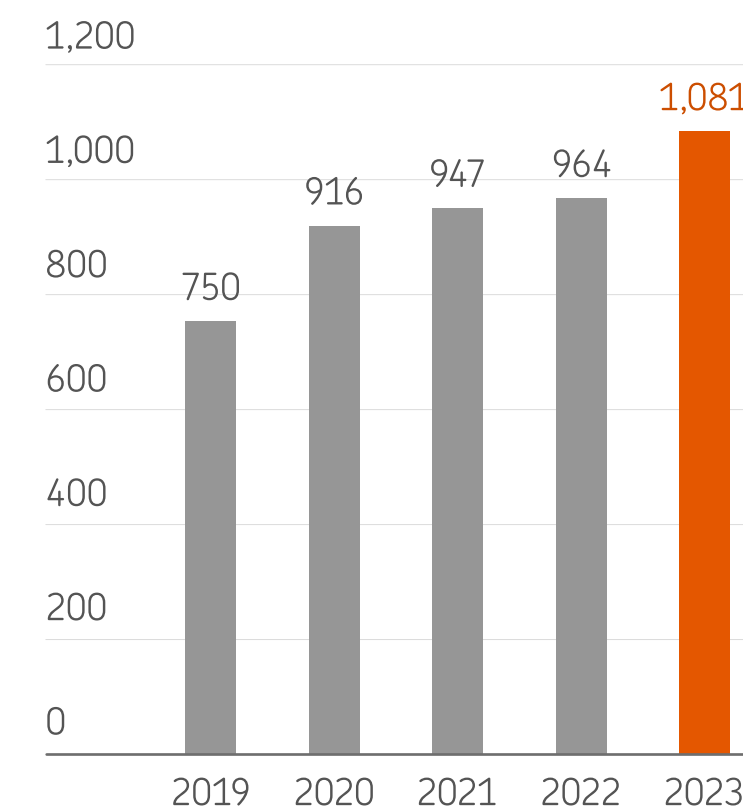
The Data Protection Customer Service team is responsible for processing data protection requests from our financing and insurance customers. The majority of data protection requests by our customers are related to requests for access to personal data. In 2023, we processed a total of 352 of such requests for access.

In 2023, we received 22 substantiated customer complaints concerning the processing of personal data or breaches of privacy protection. This total has been calculated by treating several complaints filed concerning a single event (for example, a mailing error) as a single complaint.

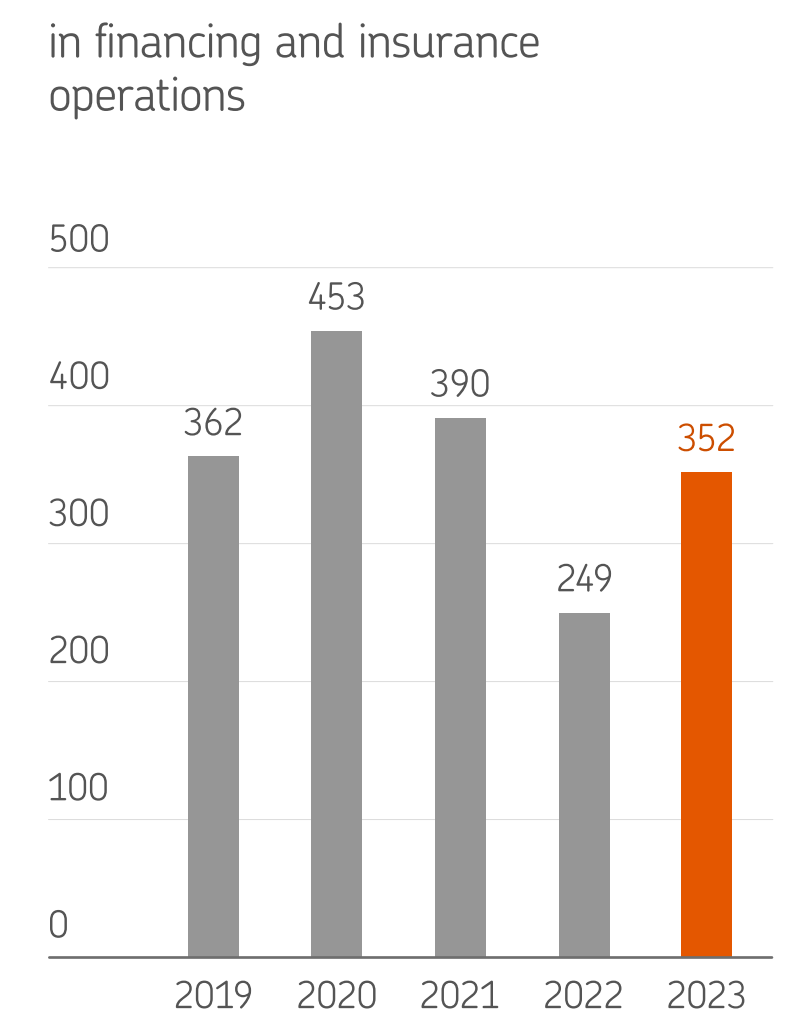
We respond without delay to personal data breaches under the GDPR. We process each data breach centrally in accordance with our management model for data security breaches. At the same time, we assess the need to notify the authorities and the data subjects affected

by the breach. In 2023, we detected a total of 1,081 cases in our operations that were classified as personal data breaches under the GDPR. This figure also includes events caused by human error which we do not consider to have resulted in risks to our customers. At the end of 2023, we announced a data breach in the email of one of our employees. As a result of the data breach, an unauthorised party may have obtained the personal details of a limited group of customers, which is small in proportion to the total number of OP customers. Read more on page [46](#).

Data security breaches identified in OP Financial Group



Requests for access to own personal data

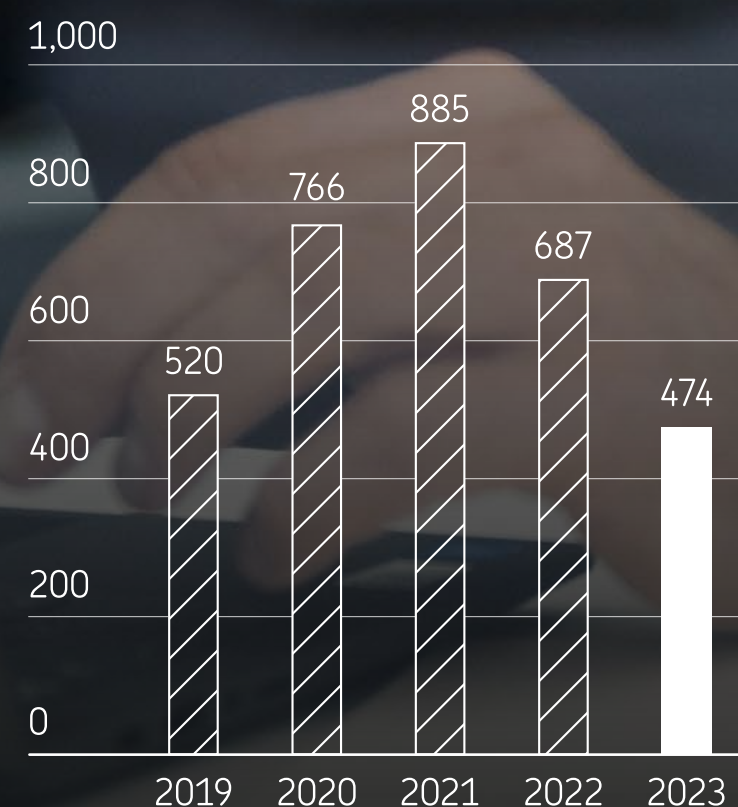




Data balance sheet and key indicators

Data-based value creation is based on the OP Financial Group's data balance sheet and balanced management. The data balance sheet presents our internal and external data capital and data assets, that is, the digital products, services and processes that utilise data capital.

Amount of data in analytical databases, terabytes



Employees working in data development and refinement tasks in OP's central cooperative

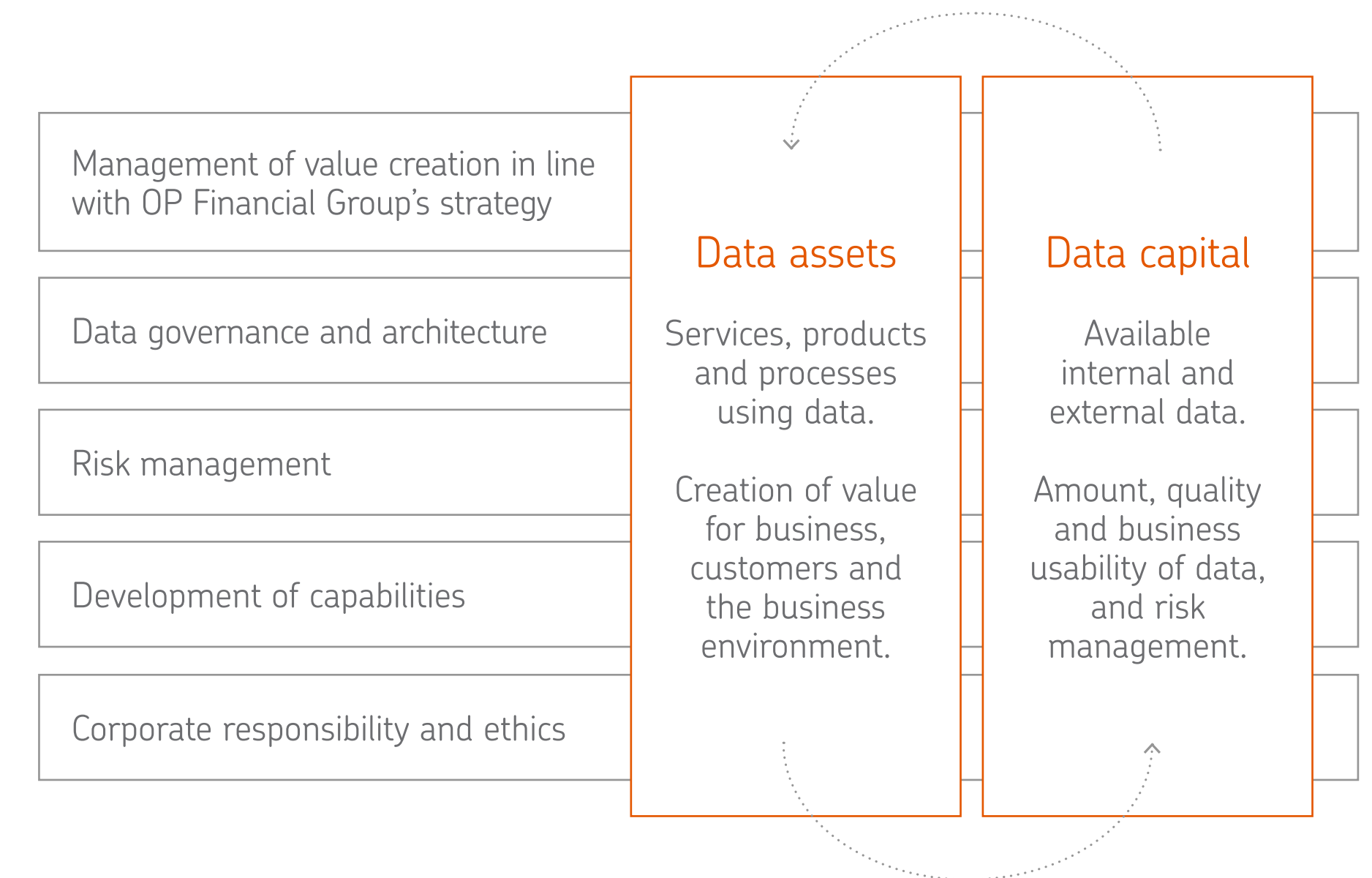
782
(629)

Data balance sheet

It combines the management of data quantities, quality and life cycles related to data capital with the management of data-based value creation in OP Financial Group's services, products and processes. A balanced data balance sheet enables sustainable growth of value creation.

Our data balance sheet was strengthened in 2023. In terms of data assets, the numbers of users of our digital services increased, and we introduced new services that utilise data. In terms of data capital, we saw a significant increase in the last year in data capital related to ESG, for example.

Data balance sheet combines data and their use





OP Financial Group's Data Balance Sheet 2023

	Data assets Data Assets	Data capital Data Capital
Definition	OP Financial Group services, products and processes produced by means of data capital	Proprietary and external data available to OP Financial Group
Objective	Management of customer benefit and the business value of data	Management of the quantity, quality and usability of data, and risk management
Operating models	Customer and business processes	Data quality management and correction process
	Analysis, decision-making and risk management processes	Data governance
	Operating models for data protection and data security	
Services for customers (examples)	<p>General service channels Online and mobile services Customer service and counselling</p> <p>Services for corporate customers OP Corporate Hub API services Real-time payment services OP Multi-bank Service OP Lasku OP Financing</p> <p>Services for personal customers My profile My financial balance service Digital home loan service OP Lasku OP Financing OP Investment Partner OP Multi-bank Service Where to invest right now Opotti chatbot Viljo chatbot Digital assistants Home price estimate tool</p>	<p>Own data capital Counterparty data Product data Contract data HR data Organisational data Internal reference data Transaction data Risk management data Financial data Document archives</p> <p>OP Financial Group employees' human capital</p>
Internal services	<p>Marketing and sales services 360° customer insight services Market information services Business Intelligence services Financial reporting services People Analytics services</p> <p>Credit Engine Data protection and data security services Cybersecurity services Home collateral appraisal service Ruuvalli Services for identifying suspected fraud and money laundering ESG tool</p>	<p>External data capital Market data Operating environment data External reference data ESG data</p>
Ecosystem and operating environment services	Interconnected API services Regulatory data services and reporting Reporting to central bank	



Key indicators

Customers (million customers)	2019	2020	2021	2022	2023
Personal customers	3.3	3.3	3.3	3.3	3.4
Corporate customers	0.3	0.3	0.3	0.3	0.4
Owner-customers	2.0	2.0	2.0	2.1	2.1
Joint banking and insurance customers	1.2	1.3	1.3	1.3	1.3

OP Financial Group's service channels	2019	2020	2021	2022	2023	Change
Digital channels NPS	53	54	52	53	55	4%
Online and mobile services (millions of logins per month, average)						
Op.fi*	8.5	5.7	4.4	6.1	5.7	-7%
OP-mobile, personal customers	25.2	33.6	40.1	45.4	50.6	11%
OP-mobile, corporate customers**	-	-	-	-	2.3	-
OP Business mobile	0.8	1.3	1.7	2.3	2.9	26%
Pivo mobile app (visits)	4.4	3.6	3.7	3.6	3.2	-11%
OP's user ID and digital services*** (1,000 agreements)						
Private customers	1,937	1,980	2,024	2,190	2,225	2%
Branches						
Bank branches	352	342	324	297	289	-3%
Social media						
Followers on Facebook (OP Financial Group and OP cooperative banks)	376,979	442,004	470,609	474,838	484,236	2%
Followers on X	42,515	46,591	50,158	52,993	62,012	17%
Followers on LinkedIn	43,355	60,188	69,888	78,885	90,778	15%
Followers on Instagram	14,953	18,211	26,100	31,544	42,676	35%
Followers on YouTube	4,140	6,090	7,811	9,072	10,420	15%
Followers on TikTok	-	-	-	-	10,276	-

* The figures for 2019–2022 are not comparable due to a change in the measurement method in 2022.

** OP-mobile services for corporate customers were launched in November 2022.

*** The name of the key figure until 2021 was eService agreements.

**Digital services' key figures and ratios**
(1,000, unless otherwise indicated)

	2019	2020	2021	2022	2023	Change
Home loan applications processed by the Credit Engine						
Total applications processed automatically	26	57	92	79	67	-15%
Positive decisions made automatically	9	20	34	29	27	-7%
Ratios of the banking services chatbot Opotti						
Message resolution rate	70%	80%	82%	85%	87%	+2 pps
Fully automated chats	40%	44%	54%	63%	78%	+15 pps
Customers giving positive feedback	67%	72%	67%	73%	82%	+9 pps
Number of external APIs in production	-	48	63	64	23	-41
Number of users registered for Siirto payments	666	899	1,055	1,148	1,221	6%
Use of digital assistant (qty)	-	-	-	-	89	-

Data capital

(1,000, unless otherwise indicated)	2019	2020	2021	2022	2023	Change
Data in analytical databases, terabytes	520	766	885	687	474	-31%
Number of log events collected by centralised log management per month, (billions)*	97	165	200	230	300	30%
Number of electronic documents	520,000	611,000	775,000	715,000	1,229,500	72%
Digitalisation of agreements in banking services	-	45%	45%	45%	56%	+11 pps
Customer details maintained through the My Profile service	250	947	620	546	2,434	346%

Data capabilities and competence

	2019	2020	2021	2022	2023	Change
Employees working in data development and refinement tasks in OP Financial Group's central cooperative	480	606	635	629	782	24%
share of the central cooperative's personnel	7%	8%	8%	8%	10%	+2 pps
Participants in data and analytics training provided by OP Software Academy**	-	430	424	410	240	-41%

Data protection and internal control

	2019	2020	2021	2022	2023	Change
Number of customer requests for access to personal data processed by financing and insurance operations	362	453	390	249	352	41%
Cookie consents, op.fi and OP-mobile	-	1,985,435	2,255,659	2,431,963	2,535,013	4%
Customer complaints related to personal data processing or privacy protection	11	20	16	14	22	57%
Cases categorised as personal data breach	750	916	947	964	1,081	12%

For security reasons, OP doesn't publicly report key figures related to anti-fraud and anti-money laundering.

* The calculation principle of the key figure has changed since the 2019 report.

** The figures for 2019–2022 are not comparable due to a change in the measurement method in 2023.



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