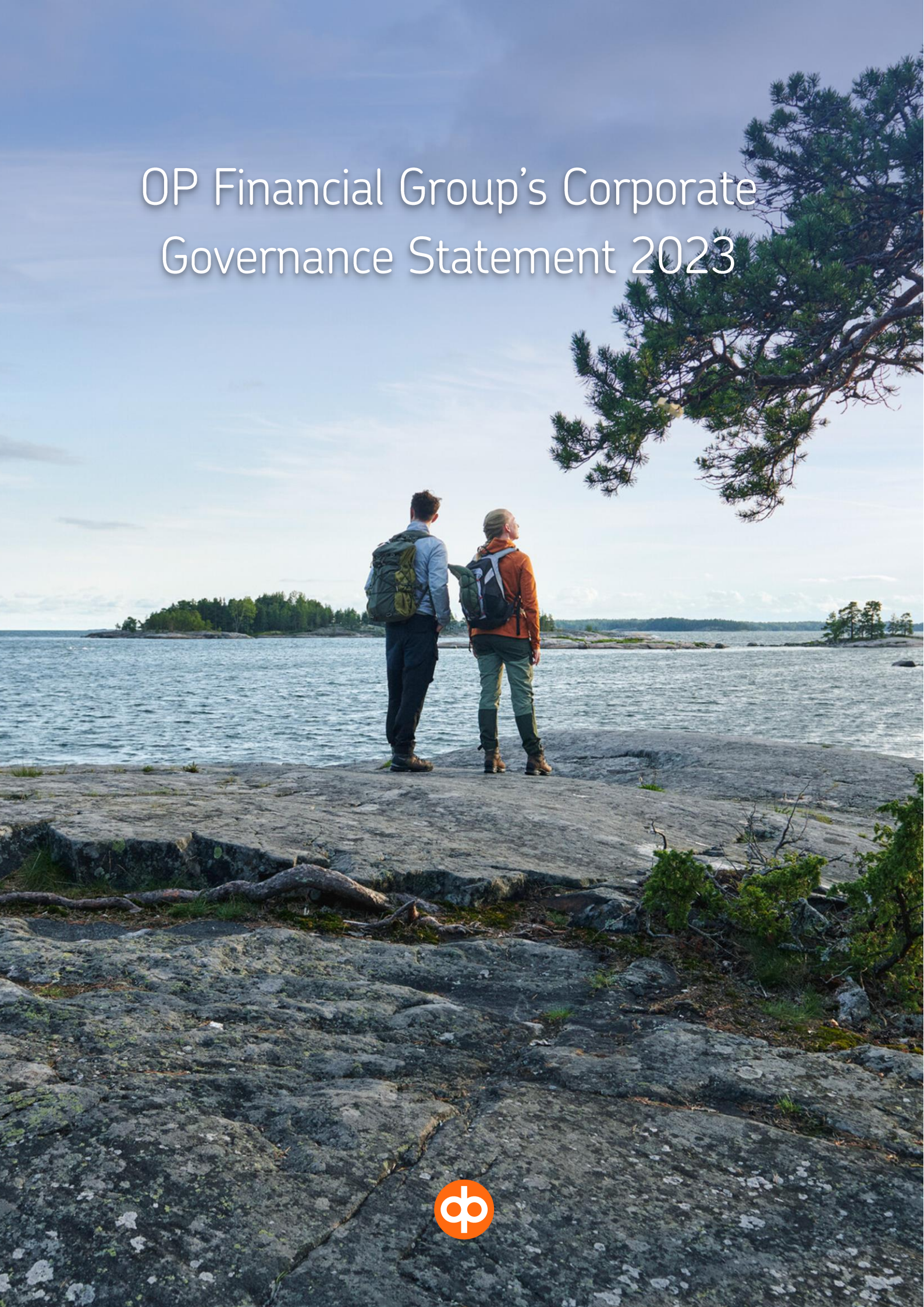


OP Financial Group's Corporate Governance Statement 2023





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OP Financial Group's Corporate Governance Statement 2023

1 CORPORATE GOVERNANCE STATEMENT

1.1 Introduction

OP Financial Group's corporate governance is comprehensive and proportionate with respect to the nature, scope and diversity of its operations to ensure the efficient management of the Group in accordance with prudential business principles, and so that the Group's governing bodies can effectively supervise its management.

This Statement describes corporate governance at OP Financial Group. By law, a credit institution and a securities issuer shall present its Corporate Governance Statement. This OP Financial Group statement applies to OP Cooperative and credit institutions within the central cooperative consolidated, excluding OP Financial Group's issuers, OP Corporate Bank plc and OP Mortgage Bank (OP MB), which prepare their own Corporate Governance Statements. Their statements substantially follow that of OP Financial Group. In addition, OP cooperative banks publish their own corporate governance statements on their websites.

This Statement has been prepared in accordance with the Act on Credit Institutions, the Securities Markets Act, the requirements of the EU's supervisory authorities (EBA, ESMA, EIOPA) and the Finnish Corporate Governance Code (2020) where applicable. Section 1.2 provides more detailed information on compliance with the Finnish Corporate Governance Code at OP Cooperative (the central cooperative).

Up-to-date key information on OP Financial Group's governance is available on the Group website at www.op.fi - OP Financial Group - About us - Corporate Governance. OP Corporate Bank plc's Corporate Governance Statement is available at www.op.fi - OP Financial Group - To the media - Publications - [OP Corporate Bank publications](#). OP Mortgage Bank's Corporate Governance Statement is available at www.op.fi - OP Financial Group - To the media - Publications - [OP Mortgage Bank's financial reports](#).

OP Cooperative's Board of Directors discussed this Corporate Governance Statement at its meeting on 6 February 2024. In addition, the Audit Committee of OP Cooperative's Board of Directors discussed this Statement.

This Statement has been issued separately from the Report by the Board of Directors. KPMG Oy Ab, OP Financial Group's auditor, has verified that the Statement has been issued and that the description it contains, covering the main features of internal control and risk management systems related to the financial reporting process, is consistent with the financial statements.

This Statement plus OP Financial Group's Financial Statements, Report by the Board of Directors, Auditor's Report, Remuneration Policy for Governing Bodies, Remuneration Report and Annual Review are available on OP Financial Group's website at www.op.fi - OP Financial Group - To the media - Publications - [OP Financial Group publications](#).

A statement of remuneration at OP Financial Group, which complies with the Act on Credit Institutions and the Finnish Corporate Governance Code (insofar as applicable), is available on OP Financial Group's website at www.op.fi - OP Financial Group - About us - Corporate Governance - [Remuneration](#).

The Finnish Corporate Governance Code 2020 for Finnish listed companies, issued by the Securities Market Association, is available on the Association's website at www.cgfinland.fi.



1.2 Compliance with the Finnish Corporate Governance Code, and deviations from recommendations

In 2023, OP Cooperative complied with the Finnish Corporate Governance Code (2020) for Finnish listed companies on a voluntary basis insofar as the Code applies to a cooperative entity that belongs to a financial services group. The key rationale for deviating from the Code includes special legislation applicable to the operations of OP Financial Group, in particular regulation concerning credit institution activities, as well as OP Cooperative's three-tier governance structure and the restricted body of members (102 member cooperative banks). More information on the central cooperative's governance structure is available in section 4.

Deviations from the recommendations of the Finnish Corporate Governance Code, and rationale for such deviations

Recom-mendation	Deviations	Rationale
1, 2 and 4	<p>A notice of Cooperative Meeting, including appendices, is sent to members through OP Financial Group's internal communication channels.</p> <p>The minutes of the Cooperative Meeting are published on the op.fi website. Other meeting documents are distributed to members through OP Financial Group's internal communication channels.</p>	Since OP Cooperative's membership is restricted, the notice of meeting, including appendices, can be delivered directly to all members.
1, 5, 6 and 22	<p>The Cooperative Meeting elects members to the Supervisory Council and decides on their remuneration. The notice of Cooperative Meeting explains how candidates to the Supervisory Council can be nominated.</p> <p>The Supervisory Council appoints the Board members and decides on their remuneration.</p>	OP Cooperative has a three-tier governance structure in which the Cooperative Meeting elects members to the Supervisory Council.
3	Normally, the Supervisory Council members and candidates attend the Cooperative Meeting. As regards the Board of Directors, at least the Chair of the Board and the CEO of OP Cooperative (President and Group Chief Executive Officer) attend the meeting.	The Cooperative Meeting elects members to the Supervisory Council, and the Supervisory Council elects members to the Board of Directors. The right to ask questions is ensured through the attendance of the Chair of the Board of Directors and the President and Group Chief Executive Officer.
10	The majority of Board members are not independent of OP Cooperative. Four of the Board members are independent of OP Cooperative and other OP Financial Group companies.	The independence of Board members is assessed in accordance with legislation governing credit institutions.
20	The Supervisory Council approves the executive contract of the President and Group Chief Executive Officer and their deputy.	The decision-making order complies with the three-tier governance model.
27	OP Cooperative's Board of Directors approves the guidelines for related party lending, which comply with the Act on Credit Institutions. Related party transactions are reported in the Notes to the financial statements as required by IAS24.	Binding regulations are observed in the management of related party transactions.
Reporting requirements	OP Cooperative complies with the reporting requirements stated in the Finnish Corporate Governance Code insofar as they apply to a cooperative entity that belongs to a financial services group.	The deviations concern information that is not available with respect to OP Cooperative, or which is irrelevant due to the corporate form and governance structure of OP Cooperative (such as



share-based remuneration). See above for more detailed rationale concerning deviations from certain recommendations of the Finnish Corporate Governance Code.

2 STRUCTURE OF OP FINANCIAL GROUP

2.1 OP Financial Group

Established in 1902, OP Financial Group is a cooperative financial services group formed by member cooperative banks and the Group's central cooperative with its subsidiaries. OP Financial Group's mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region. Activities are guided by OP Financial Group's values – People First, Responsibility and Succeeding Together. Being a Finnish Group is an important part of the Group's identity.

As at 31 December 2023, OP Financial Group consists of 102 member cooperative banks (108 as at 31 December 2022) and their central cooperative, OP Cooperative, with its subsidiaries and affiliates. OP Financial Group's operations are governed by legislation such as the Act on the Amalgamation of Deposit Banks, the Act on Cooperative Banks and Other Cooperative Institutions, the Act on Credit Institutions, the Insurance Companies Act, the Act on Investment Services, the Co-operatives Act and the Limited Liability Companies Act.

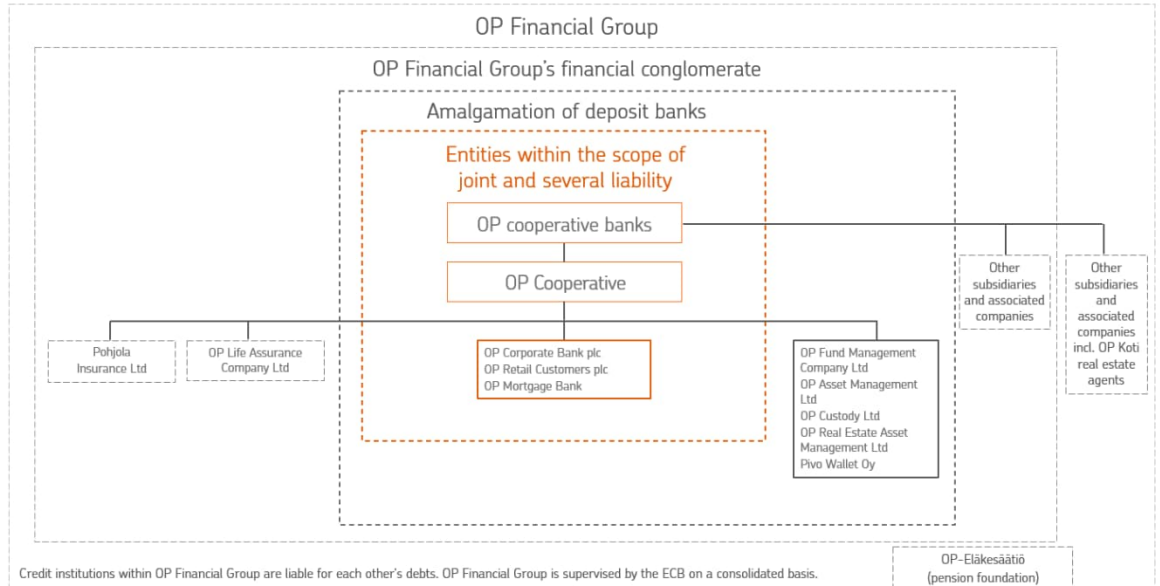
OP Financial Group structure



OP Financial Group consists of the following two parts:

1. An amalgamation in accordance with the Act on the Amalgamation of Deposit Banks
2. Other entities and organisations of OP Financial Group.

OP Financial Group's amalgamation structure



The amalgamation comprises:

- OP Cooperative (the amalgamation's central cooperative)
- companies belonging to the central cooperative's consolidation group
- the central cooperative's member credit institutions
- companies belonging to the member credit institutions' consolidation groups
- credit institutions, financial institutions and service companies in which the abovementioned institutions jointly hold more than half of the voting rights.

According to the Act on the Amalgamation of Deposit Banks, the central cooperative is obliged to support its member credit institution in order to prevent it from being placed into liquidation and is liable for its member credit institution's debts which cannot be paid using the member credit institution's capital. Each member credit institution, for its part, is liable to pay a proportion of the amount which the central cooperative has paid to another member credit institution as part of support action or to a creditor of such member credit institution in payment of an amount overdue. In the case of the central cooperative's default, a member credit institution has unlimited refinancing liability for the central cooperative's debts.

OP Financial Group comprises:

- the amalgamation and
- those non-amalgamation entities of which entities belonging to the amalgamation hold more than half of the total votes.

The extent of OP Financial Group differs from that of the amalgamation in that OP Financial Group subsumes entities other than credit and financial institutions or service companies. The most important of these are the insurance companies with which the amalgamation forms a financial conglomerate.

More detailed information on the legal structure of OP Financial Group and its amalgamation can be found in the Financial Statements of OP Financial Group, which is available at

www.op.fi - OP Financial Group - To the media - Publications - [OP Financial Group publications](#). Neither OP Financial Group nor the amalgamation forms a corporate group as referred to in the Accounting Act, or a consolidation group as referred to in the Act on Credit Institutions. The central cooperative prepares consolidated financial statements of the amalgamation as referred to in the Act on the Amalgamation of Deposit Banks, including entities over which the amalgamation's member entities have control.

OP Financial Group has three business segments:

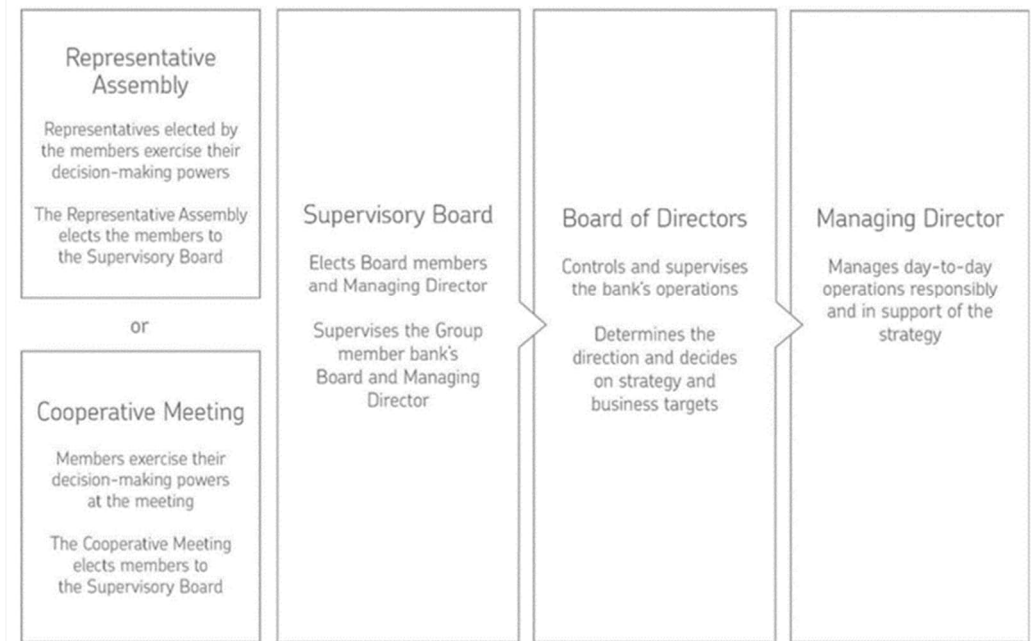
- Retail Banking (Banking Personal and SME Customers)
- Corporate Banking (Banking Corporate and Institutional Customers), and
- Insurance (Insurance Customers).

2.1.1 OP cooperative banks

OP cooperative banks are deposit banks engaged in retail banking. They are OP Cooperative's member credit institutions. OP cooperative banks provide modern and competitive banking services to personal customers, SMEs, agricultural and forestry customers and public-sector entities.

In terms of their organisation type, OP cooperative banks are cooperatives whose decision-making grounds include the one member, one vote principle. Within the OP cooperative banks, the members, that is, the owner-customers' decision-making power is exercised by the Representative Assembly or the cooperative meeting comprising owner-customers, and the supervisory council and the board of directors, all members of which are owner-customers.

OP Cooperative banks' governance structure



2.1.2 Federations of Cooperative Banks

Federations of Cooperative Banks are regional cooperation bodies for the member cooperative banks. The federations ensure cooperation and interaction between OP cooperative banks, and maintain and promote Group spirit and unity. In addition, the federations follow developments in OP cooperative banks' operating environment and maintain discussion on



the impacts of changes on OP cooperative banks' operations and organise training for the boards of directors of OP cooperative banks and the chairs of the supervisory council.

The federations nominate their regions' candidates for OP Cooperative's Supervisory Council and for other bodies of OP Financial Group to which they are entitled to nominate candidates.

The meeting of a Federation of Cooperative Banks, which comprises representatives of its member cooperative banks, elects the board of directors to represent the federation and attend to its affairs.

2.1.3 OP Cooperative, or the central cooperative

OP Cooperative is the central cooperative of OP Financial Group, and it is domiciled in Helsinki. The central cooperative's members may include credit institutions, as referred to in the Act on the Amalgamation of Deposit Banks, whose bylaws or articles of association have been approved by the central cooperative. The central cooperative's Supervisory Council decides on admitting new members.

The purpose of the central cooperative as the central cooperative of the amalgamation and as the company heading the financial conglomerate formed by OP Financial Group is to equitably contribute to and support the development of, and cooperation between, its member credit institutions, other OP Financial Group companies and entities and the entire Group. To that end, the central cooperative controls the Group's centralised services, develops the Group's business, manages the Group's strategic control and lobbying and manages control and supervision duties belonging to the central cooperative of the amalgamation and the company heading the financial conglomerate. Furthermore, the central cooperative acts as OP Financial Group's strategic owner institution.

By virtue of the Act on the Amalgamation of Deposit Banks, the central cooperative controls the amalgamation's operations and provides the entities within the amalgamation with guidelines for risk management, good corporate governance and internal control with the aim of safeguarding their liquidity and capital adequacy. In addition, the central cooperative supervises the amalgamation entities in the manner referred to in the Act on the Amalgamation of Deposit Banks.

Within the central cooperative, member cooperative banks exercise their decision-making powers at the Cooperative Meeting and in the Supervisory Council elected by it.

3 OP FINANCIAL GROUP'S RESPONSIBLE OPERATIONS AND GOOD CORPORATE GOVERNANCE

3.1 Values and responsible operations

OP Financial Group's mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region. OP Financial Group has defined values that guide its operations and support its mission. The Group's values are people first, responsibility, and succeeding together.

In its operations, OP Financial Group applies its Code of Business Ethics, which includes the key principles for corporate responsibility and environmental impact that all employees and members of governing bodies of OP Financial Group must observe. OP Financial Group is committed to complying with international principles that guide operational responsibility, such as the principles of the United Nations Global Compact initiative. OP Financial Group is a Signatory of the Principles for Responsible Banking under the United Nations Environ-



ment Programme Finance Initiative (UNEP FI). In addition, the Group's fund and asset management companies have signed the UN Principles for Responsible Investment (UN PRI), and Pohjola Insurance is committed to the UN Principles of Sustainable Insurance (UN PSI).

Corporate responsibility is an integral part of OP Financial Group's business and strategy. The key focus areas in OP Financial Group's sustainability programme, Climate and the environment, People and communities, and Corporate governance, provide the basis for the Group's corporate responsibility activities. The sustainability programme can be viewed on OP's website at www.op - OP Financial Group - Corporate responsibility - [Sustainability programme](#). OP Financial Group reports regularly on sustainability issues in accordance with the Global Reporting Initiative (GRI) guidelines and from 2024 in accordance with sustainability reporting standards under the CSRD.

The Board of Directors of OP Cooperative (the central cooperative of OP Financial Group) approves the corporate responsibility principles and the related policies and sustainability programme, and significant changes to them. OP Cooperative's Supervisory Council regularly reviews the Group's sustainability programme, monitors its implementation and confirms the Board of Directors' decisions concerning significant changes to the sustainability programme.

The ESG Committee established by OP Cooperative's Executive Management Team prepares OP Financial Group's sustainability programme and tracks progress against the agreed targets. Daily corporate responsibility routines and the implementation of the sustainability programme are coordinated by business divisions' corporate responsibility working groups. 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. We also have procedures in place to enable stakeholders to give us feedback on corporate responsibility issues.

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 Head of ESG and Corporate Responsibility, who reports to OP Corporate Bank's CEO, who in turn is responsible for corporate responsibility matters at the level of the Executive Management Team.

OP Financial Group's operations are guided by the Group's strategy and values, policy statements by the management, the needs of customers and the operating environment, international commitments, and EU and national regulation. Responsibility perspectives affect all factors guiding our operations. Thus, responsibility is deeply embedded in our operations.

3.2 Principles of Good Corporate Governance

OP Cooperative's Board of Directors and, with respect to the diversity of governance, the Supervisory Council, have confirmed the Principles of Good Corporate Governance for OP Financial Group. These Principles cover all OP Financial Group entities as applicable. The Group entities may, if necessary, draw up their own guidelines expanding on the Group-wide guidelines.

Good corporate governance means that OP Financial Group as a whole and its entities have the following regime in place:

- They have documented their organisational structure with well-defined powers, responsibilities and reporting relationships.
- They have diverse management bodies; their members have versatile skills and experience, the management bodies have balanced representation of genders and age groups and have comprehensive representation of various regions.

- The management bodies assess and develop their performance on a regular basis.
- Members of senior and executive management are reliable, fit and proper and professional.
- They identify and manage conflicts of interest.
- They have organised risk management, compliance and internal audit so that these functions are independent of business lines/divisions.
- Their remuneration principles support the achievement of targets and do not encourage risk-taking above the defined risk-taking level or acting contrary to the conflict of interest policy, and do not lead to actions against the customer's best interests.
- They operate transparently and openly and disclose information that is relevant regarding the reliability of operations.
- They ensure that corporate security, data protection and data security are an essential and inseparable part of operations.
- When functions are outsourced, they ensure that risk management and control related to the outsourced operations are organised appropriately.
- Personnel and stakeholders have the opportunity to report any violations they have observed through an independent channel.

3.3 Governance diversity

OP Financial Group has a long-term approach to planning the composition of governing bodies. Effective work in governing bodies requires that their members have sufficiently diverse expertise, skills and experience.

In preparing the selection of members of the governing bodies, attention is paid to the person's added value to the body's composition in terms of, for example, fostering adequate diversity. Diversity is fostered by ensuring that candidates have a wide range of knowledge, skills and experience, and that various regions, genders and age groups are represented on OP's governing bodies.

The aim is that the central cooperative's and member cooperative banks' supervisory councils and boards of directors are represented by both genders in proportion of 60/40. To that end, they seek to ensure on a long-term basis that where any candidates have equal strengths in terms of skills and experience, the person who represents a gender that is in minority on the governing body is appointed a member of the management body.

In 2023, men made up 61% and women 39% of the members of the Supervisory Council of OP Cooperative, the central cooperative of OP Financial Group (2022: 58% and 42%, respectively). In the Board of Directors, 64% were men and 36% women (unchanged compared to 2022). OP Cooperative's Board of Directors fulfils the requirements of the new directive¹ on improving the gender balance among members of governing bodies. According to the directive, the company's CEO is not taken into account in calculating the gender balance. This means that 60 per cent of OP Cooperative's Board members are men and 40 per cent are women. The obligations under the directive must be transposed into national legislation by 28 December 2024.

For more information on the diversity of the Supervisory Council and the Board of Directors, see sections 4.3.1 and 4.7.1.

¹Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures.

Information on the members of OP cooperative banks' governing bodies is available on the banks' own websites at www.op.fi - OP Financial Group - About us - Group member cooperative banks - [Group member bank websites](#).

4 GOVERNANCE OF OP COOPERATIVE IN 2023

Governance structure in the central cooperative



4.1 OP Cooperative's Cooperative Meeting

The Cooperative Meeting is OP Cooperative's highest decision-making body. The Annual Cooperative Meeting confirms the financial statements, elects the members of the Supervisory Council and the auditor and approves alterations of the bylaws, if any. A cooperative's bylaws are a document that corresponds to the articles of association.

The members of the cooperative, that is, the representatives of the central cooperative's member cooperative banks, exercise decision-making power at the Cooperative Meeting.

OP Cooperative held its Annual Cooperative Meeting on 26 April 2023. The minutes of the meeting are available in Finnish at www.op.fi - OP Financial Group - About us - Corporate governance - [Cooperative Meeting](#).

4.2 OP Financial Group's Nomination Committee

The tasks of OP Financial Group's Nomination Committee include assisting the OP Cooperative Meeting in matters related to the nomination and appointment of Supervisory Council members, especially in respect of the following matters:

- Defining the collective knowledge, skills, experience and diversity of the Supervisory Council and the time commitment expected of its members, and identifying and assessing candidates for vacancies
- Promoting the diversity and the equal representation of genders on the Supervisory Council
- Assessing the sufficiency of the composition, collective knowledge and skills and performance of the Supervisory Council on an annual basis
- Preparing a proposal on the Chairs of the Supervisory Council and on the emoluments payable to the members of the Supervisory Council.

The Committee members include the Chair, First Vice Chair and Second Vice Chair of the Board of Directors of each Federation of Cooperative Banks. The members of the Committee specifically appointed by the Supervisory Council act as the Committee Chair and Vice

Chair who must be Chairs of the board of directors of the Federations of Cooperative Banks.

Members of the Nomination Committee in 2023 (listed by Federation of Cooperative Banks as follows: Chair, First Vice Chair, and Second Vice Chair)

- Etelä-Suomi: Markus Johansson, Bachelor of Natural Resources, farmer; Paula Havo-Ossi, Master of Natural Resources, BBA, dairy farm entrepreneur; and Mikko Suutari, Managing Director
- Itä-Suomi: Pasi Korhonen, entrepreneur; Elsa Paronen, Research Manager, Director of the Department of Health and Social Management; and Jaana Vänskä, Managing Director
- Länsi-Suomi-Sydkusten: Teija Kirkkala, Executive Director; Mats Eriksson, Bachelor of Natural Resources, farmer; and Ville Aarnio, Managing Director
- Pohjanmaa-Österbotten: Stefan Saaristo, rural entrepreneur; Katja Torssonen, BBA, Certified Board Member; and Matti Mäkinen, Managing Director
- Pohjois-Suomi: Kari Raappana, Managing Director; Eija Sorjamaa, M.Sc. (Tech.); and Laura Harju-Autti, Managing Director
- Sisä-Suomi: Janne Ruohonen, Professor; Anssi Kuoppala, Managing Director; and Kirsi Soltin, Managing Director

The Nomination Committee is chaired by Janne Ruohonen and vice-chaired by Teija Kirkkala.

The Nomination Committee had one meeting in 2023.

4.3 OP Cooperative's Supervisory Council

The Supervisory Council is tasked with the following, among other things:

- under the Co-operatives Act, supervising the governance of the central cooperative within the remit of the Board of Directors and the President and Group Chief Executive Officer, notwithstanding the supervisory obligation of the Board of Directors
- promoting owner-customers' interests, OP Financial Group's competitiveness, development and cooperation as well as Group unity
- electing members of the Board of Directors and deciding on their emoluments
- appointing the President and Group Chief Executive Officer acting as the CEO and their deputy, and deciding on their remuneration and pension benefits
- electing the Chair and Vice Chair for OP Financial Group's Nomination Committee and for the Supervisory Council's Nomination Committee
- deciding on admitting to membership of a central cooperative, on a warning, referred to in §5, and on presenting a proposal to the Cooperative Meeting to expel a member
- regularly assessing the implementation of cooperative values in OP Financial Group's operations, and the development in owner-customer membership
- regularly assessing OP Financial Group's corporate sustainability programme and its implementation
- approving OP Financial Group's operating principles aimed at promoting diversity in the composition of governing bodies and having the objective of equal gender representation in the governing bodies and drawing up the principles applied to achieve and maintain the objective.

In addition, the Supervisory Council confirms decisions made by the Board of Directors that are far-reaching, financially significant or significant in principle from the perspective of OP Financial Group. These include at least Board decisions concerning:



- OP Financial Group's risk appetite, strategy and strategic goals
- a significant reduction or expansion of the activities of OP Financial Group, the central cooperative or the central cooperative consolidated or a substantial change in their organisation
- the principles of the central cooperative's supervision fees and the central cooperative consolidated companies' service charges
- the principles governing OP Financial Group's remuneration schemes
- the principles of bank-specific control required by joint and several liability
- the principles related to owner-customer benefits
- strategically significant arrangements related to the ownership of the central cooperative's subsidiaries that are in charge of managing shared services for OP Financial Group, such as the disposal of shares to shareholders outside OP Financial Group
- submitting a proposal to the Cooperative Meeting for amending the central cooperative bylaws.

If the Supervisory Council does not confirm the decision by the Board of Directors referred to above, it must return the matter to the Board of Directors for a new preparation.

OP Cooperative's Cooperative Meeting elects members to the Supervisory Council. The Supervisory Council comprises 36 members. The members are elected from the regions of the Federations of Cooperative Banks in such a way that six members are elected from each Federation, four of whom are members of the governing bodies of the Federation's member banks and two are managing directors.

A person known as honest and reliable is an eligible Supervisory Council member who, based on their professional experience, can be assessed to be qualified to work efficiently on the Supervisory Council and who fulfils the requirements set in the charter for OP Financial Group's Nomination Committee and in other internal guidelines.

As a rule, the term of office of the Supervisory Council governing body members is four years and that of managing director members two years, beginning upon closing of the Annual Cooperative Meeting and terminating upon closing of the Annual Cooperative Meeting. In the Annual Cooperative Meeting of 2021, all members of the Supervisory Council resigned due to the transitional provision related to the alteration of bylaws. The term of office of members representing the governance of the Supervisory Council is determined in 2023–2025 in such a way that one governing body member from each Federation of Cooperative Banks will be due to resign every year. After this, the normal four-year term will apply to governing body members. Those due to resign by rotation were determined by drawing lots.

The Supervisory Council elects from among its members the Chair and two Vice Chairs. The Supervisory Council Chair and at least one of the Vice Chairs must be a person who is not the managing director of an OP Financial Group entity nor has an employment contract with such an entity.

4.3.1 Supervisory Council members, based on the decision by the Cooperative Meeting of 26 April 2023, and meetings in 2023

Name, year of birth and place of residence	Federation of Cooperative Banks	Position on OP Cooperative's Supervisory Council	Full-time position, job title, education/degree(s)	Position of the person with a governing body background at an OP cooperative bank
Drugge Jan, 1970, Kemiö	Länsi-Suomi-Sydkusten	Member	Sales Manager, Nordkalk Oy, Bachelor of Natural Resources	Vice Chair of the Board of Directors, Andelsbanken Raseborg
Hakasuo Päivi, 1971, Huittinen	Länsi-Suomi-Sydkusten	Member	Head of Sourcing, Nor-nickel Harjavalta Oy, M.Sc.	Chair of the Board of Directors, Ala-Satakunnan Osuuspankki
Harju Eeva, 1967, Pudasjärvi	Pohjois-Suomi	Member Membership ended on 18 May 2023	M.Sc.	Chair of the Board of Directors, Pudasjärven Osuuspankki
Helin Mika, 1965, Hämeenlinna	Etelä-Suomi	Member	Managing Director, Hämeen Osuuspankki, M.Sc. (Econ. & Bus. Adm.)	
Hyvönen Raili, 1964, Kontiolahti	Itä-Suomi	Member	Managing Director, Vaara-Karjalan Osuuspankki, M.Sc. (Econ. & Bus. Adm.), eMBA	
Julkunen Saara, 1967, Kuopio	Itä-Suomi	Member	Professor, Head of Business School, University of Eastern Finland, D.Sc. (Econ. & Bus. Adm.), M.Soc.Sc	Member of the Board of Directors, Pohjois-Savon Osuuspankki
Jurmu Taija, 1976, Rovaniemi	Pohjois-Suomi	1 st Vice Chair	Lawyer, Asianajotoimisto Jurmu, LL.M., Bar Examination, Certified Board Member & Chair	Chair of the Board of Directors, Pohjolan Osuuspankki
Kainusalmi Mika, 1979, Savitaipale	Etelä-Suomi	Member	Development Manager, Lappeenranta University of Technology, M.Sc. (Econ. & Bus. Adm.), M.Sc. (Eng.)	Chair of the Board of Directors, Savitaipaleen Osuuspankki
Kiuru Matti, 1963, Pori	Länsi-Suomi-Sydkusten	Member Membership ended on 31 December 2023	Managing Director, Länsi-Suomen Osuuspankki, M.Sc. (Econ. & Bus. Adm.), eMBA	
Kujala Päivi, 1965, Alavus	Pohjanmaa-Österbotten	Member	Senior Rural Economist, Pellervo Economic Research PTT, D.Sc. (Admin.), M.Sc. (Agr. & For.), Agronomist	Member of the Board of Directors, Sydänmaan Osuuspankki



Kuosa-Kaartti Katja-Riina, 1973, Orimattila	Etelä-Suomi	Member Membership ended on 31 December 2023	Authorised Public Ac- countant, Tilintarkastus Kuosa-Kaartti Oy, M.Sc. (Econ. & Bus. Adm.)	Chair of the Board of Direc- tors, Ylä-Uudenmaan Osuus- pankki
Lehtonen Pekka, 1969, Kangasala	Sisä-Suomi	Member	Managing Director, Kangasalan Lämpö Oy, Automation Engineer, Certified Board Member	Chair of the Board of Direc- tors, Kangasalan Seudun Osuuspankki
Lohi Tuomas, 1979, Kempele	Pohjois-Suomi	Member	Municipal Manager, Municipality of Kempele, Ph.D., Certified Board Member	Member of the Board of Di- rectors, Tyrnävän Osuus- pankki
Loikkanen Toivo, 1960, Savonlinna	Itä-Suomi	Member	Dean	Member of the Board of Di- rectors, Suur-Savon Osuus- pankki
Manninen Veijo, 1962, Pyhäjärvi	Pohjanmaa- Österbotten	Member	Farmer, Agrologist, Certified Board Member & Chair	Chair of the Board of Direc- tors, Suomenselän Osuus- pankki
Markula Kaisa, 1967, Loimaa	Länsi-Suomi- Sydkusten	Member	Managing Director, Ni- inijokivarren Osuus- pankki, M.Sc. (Econ. & Bus. Adm.), B.Nat.Res.	
Mäkelä Anssi, 1961, Urjala	Sisä-Suomi	Member	Senior Manager, Val- met Technologies Oy, M.Sc. (Eng.)	Chair of the Board of Direc- tors, Etelä-Pirkanmaan Osuuspankki
Mäkelä Kari, 1982, Jämsä	Sisä-Suomi	Member	Managing Director, Jä- msän Seudun Osuus- pankki, M.Sc. (Tech.) in Industrial Engineering and Management	
Nikola Annukka, 1960, Kirkkonummi	Etelä-Suomi	Chair	Chair of the Board of Directors, M.Sc. (Econ. & Bus. Adm.)	Chair of the Board of Direc- tors, Uudenmaan Osuuspankki
Nurmela Jarmo, 1967, Alajärvi	Pohjanmaa- Österbotten	Member	Service Supervisor, Centre for Economic Development, Transport and the En- vironment for South Ostrobothnia, BBA	Chair of the Board of Direc- tors, Alajärven Osuuspankki
Nylund Ulf, 1965, Vaasa	Pohjanmaa- Österbotten	Member	Managing Director, Vaasan Osuuspankki, M.Sc. (Econ. & Bus. Adm.), eMBA, Certified Board Member	
Palosaari Heikki, 1962, Kello	Pohjois-Suomi	Member	Managing Director, Ke- min Seudun Osuus- pankki, M.Sc. (Econ. & Bus. Adm.), eMBA	
Perätalo Teuvo, 1963, Kajaani	Pohjois-Suomi	Member	Managing Director, Kainuun Osuuspankki,	



			LL.M., Certified Board Member	
Pättiniemi Johanna, 1974, Humppila	Länsi-Suomi- Sydkusten	Member	Farmer, D.Sc. (Agr. & For.), Agronomist	Chair of the Board of Directors, Humppila-Metsämaan Osuuspankki
Rajala Tiina, 1963, Kempele	Pohjois-Suomi	Member	Development Director, Council of Oulu Region, M.Sc. (Admin.), eMBA, Certified Board Member	Chair of the Supervisory Council, Oulun Osuuspankki
Rantala Jyrki, 1969, Kokkola	Pohjanmaa- Österbotten	Member Membership ended on 9 November 2023	Managing Director, Keski-Pohjanmaan Osuuspankki, LL.M., Trained on the bench, BA, eMBA	
Saksa Titta, 1977, Mikkeli	Itä-Suomi	Member	HR Director, Meidän IT ja Talous Oy	Chair of the Board of Directors, Suur-Savon Osuuspankki
Sarhema Teemu, 1980, Asikkala	Etelä-Suomi	Member	Managing Director, Järvi-Hämeen Osuuspankki, BBA, eMBA, business student	
Saukkonen Timo, 1963, Simpele	Etelä-Suomi	Member	M.Sc. (Agr. & For.) Agriculture and Forestry Entrepreneur	Member of the Board of Directors, Etelä-Karjalan Osuuspankki
Selkee Leena, 1958, Ruovesi	Sisä-Suomi	Member	Managing Director, Ylä-Pirkanmaan Osuuspankki, LL.M, Certified Board Member	
Sotarauta Markku, 1963, Ylöjärvi	Sisä-Suomi	Member	Professor, University of Tampere, D.Sc. (Admin.)	Chair of the Board of Directors, Tampereen Seudun Osuuspankki
Sunikka Miika, 1974, Joensuu	Itä-Suomi	Member	Entrepreneur, Hyvän tekijä -yhtiöt, MSE in Industrial Engineering and Management, Certified Board Member & Chair	Chair of the Board of Directors, Pohjois-Karjalan Osuuspankki
Syrjälä Timo, 1980, Yli-Lesti	Pohjanmaa- Österbotten	Member	Entrepreneur, Forestry Specialist, Forestry Engineer	Chair of the Board of Directors, Jokilaaksojen Osuuspankki
Takala Pauliina, 1969, Liestuore	Sisä-Suomi	Member	Managing Director, Jyväskylän sotainvalidien asuntosäätiö, M.Soc.Sc., vocational qualification in property management	Chair of the Board of Directors, Keski-Suomen Osuuspankki

Tiiri Janne, 1965, Oripää	Länsi-Suomi- Sydkusten	Member	Farmer, B.Sc. (Agr. & For.), Agronomist	Chair of the Board of Direc- tors, Osuuspankki Har- juseutu
Väänänen Ari, 1973, Maaninka	Itä-Suomi	2nd Vice Chair	Managing Director, Maaningan Osuus- pankki, LL.M, Trained on the bench	

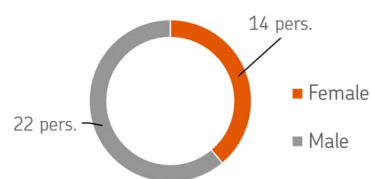
Mervi Hinkkanen's membership ended on 30 November 2022, Yrjö Niskanen's membership ended on 8 December 2022 and Carolina Sandell's membership ended on 26 April 2023. The OP Cooperative Annual Cooperative Meeting of 26 April 2023 elected Jan Drugge, Titta Saksa and Miika Sunikka new Supervisory Council members. In addition, Eeva Harju, Saara Julkunen, Matti Kiuru, Päivi Kujala, Katja Kuosa-Kaartti, Anssi Mäkelä, Kari Mäkelä, Heikki Palosaari, Jyrki Rantala, Teemu Sarhema and Ari Väänänen, who were due to resign, were re-elected Supervisory Council members. Eeva Harju's membership ended on 18 May 2023 and Jyrki Rantala's on 9 November 2023. In addition, membership of Matti Kiuru and Katja Kuosa-Kaarti elected to the Board of Directors ended on 31 December 2023.

Employee representatives have the right to be present and speak at the meetings of the Supervisory Council. In 2023, employee representatives were as follows: Miia Korvenoja, Jussi Kulmala, Eija Laurila, Eero Pulkkinen (until 30 November 2023) and Jarkko Pessinen (as of 1 December 2023).

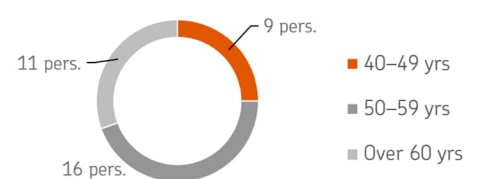
In 2023, the Supervisory Council had four meetings. The average attendance rate of its members stood at 96%. For more detailed information on members' attendance at meetings, read OP Financial Group's Remuneration Report for Governing Bodies at www.op.fi - OP Financial Group - To the media - Publications - [OP Financial Group's publications](#).

Diversity of the Supervisory Council

Gender



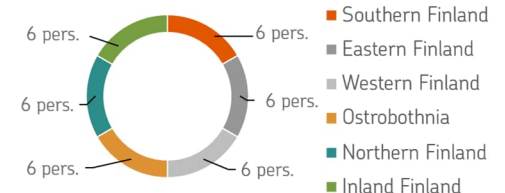
Age



Education



Membership in cooperative bank federations



4.4 Supervisory Council's preparatory units

The Supervisory Council has two preparatory units: Strategy Unit and Responsibility and Remuneration Unit. These units assist the Supervisory Council in matters falling within their remit.

Every year, the Supervisory Council appoints, from among its members, the Vice Chairs and members of the units, and confirms their charters. The unit charters contain specific provisions on unit Chairs. The Strategy Unit is chaired by the Chair of the Supervisory Council.

The Responsibility and Remuneration Unit is chaired by the First Vice Chair of the Supervisory Council.

4.4.1 Strategy Unit

The Strategy Unit prepares matters to be discussed by the Supervisory Council that concern OP Financial Group's risk appetite, strategy and the achievement of strategic goals, or a significant reduction or expansion of the activities of OP Financial Group or the central cooperative, or a substantial change in the organisation, or strategically significant arrangements related to the ownership of the central cooperative's subsidiaries that are in charge of managing shared services for OP Financial Group.

Strategy Unit's composition as of 26 April 2023 and meetings in 2023

Annukka Nikola, Chair
Ari Väänänen, Vice Chair
Jan Drugge
Päivi Hakasuo
Mika Helin
Raili Hyvönen
Saara Julkunen
Matti Kiuru (until 31 December 2023)
Päivi Kujala
Katja Kuosa-Kaartti (until 31 December 2023)
Pekka Lehtonen
Tuomas Lohi
Toivo Loikkanen
Anssi Mäkelä
Jarmo Nurmela
Tiina Rajala
Jyrki Rantala (until 9 November 2023)
Teemu Sarhemia

In 2023, the Strategy Unit had three meetings. The average attendance rate of its members stood at 96%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

4.4.2 Responsibility and Remuneration Unit

The Responsibility and Remuneration Unit prepares matters discussed in the Supervisory Council that concern the main policy lines of the owner-customer membership programme and the total benefits gained by owner-customers, and the principles of OP Financial Group's remuneration scheme.

The Unit also assesses and promotes the implementation of OP Financial Group's values and mission, assesses the Group's sustainability programme and monitors the implementation of ESG and corporate responsibility matters in the operations of OP Financial Group, and monitors the achievement of the targets of OP Financial Group's remuneration scheme.

Responsibility and Remuneration Unit's composition as of 26 April 2023 and meetings in 2023

Taija Jurmu, Chair
Markku Sotarauta, Vice Chair
Eeva Harju (until 18 May 2023)

Mika Kainusalmi
Veijo Manninen
Kaisa Markula
Kari Mäkelä
Ulf Nylund
Heikki Palosaari
Teuvo Perätalo
Johanna Pättiniemi
Titta Saksa
Timo Saukkonen
Leena Selkee
Miika Sunikka
Timo Syrjäjä
Pauliina Takala
Janne Tiiri

In 2023, the Responsibility and Remuneration Unit had three meetings. The average attendance rate of its members stood at 96%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

4.5 Supervisory Council Nomination Committee

The Supervisory Council has a Nomination Committee which acts as a nomination committee referred to in the Act on Credit Institutions. Its statutory duty is to assist the Supervisory Council in matters related to the nomination of candidates and appointment of members of the Board of Directors and the nomination of candidates and appointment of the President and Group Chief Executive Officer and their deputy, particularly in the following matters:

- assessing the collective knowledge, skills and experience necessary for the work performed by the Board of Directors and President and Group Chief Executive Officer as well as the diversity of the Board of Directors and the time commitment expected of its members, assessing the number of members required for the Board of Directors, defining the job descriptions and the required capabilities of the new members of the Board of Directors and the President and Group Chief Executive Officer, mapping out and assessing candidate members for the Board of Directors and candidates for the position of President and Group Chief Executive Officer, submitting a proposal to the Supervisory Council concerning the number of members to be appointed to the Board of Directors and the persons to be appointed as members of the Board of Directors, as well as appointing the President and Group Chief Executive Officer and their deputy
- assessing the composition and performance of the Board of Directors and the performance of its individual members and the President and Group Chief Executive Officer
- promoting the diversity and the equal representation of genders on the Board of Directors.

Members of the Nomination Committee include the Chair and the First Vice Chair of the Supervisory Council, the Chair and Vice Chair of the Board of Directors and the Chair and Vice Chair of OP Financial Group's Nomination Committee. The Supervisory Council elects the Chair and Vice Chair of the Nomination Committee and confirms its charter.

Supervisory Council Nomination Committee's composition and meetings in 2023

Annikka Nikola, Chair
Taija Jurmu, Vice Chair
Jarna Heinonen
Teija Kirkkala
Jaakko Pehkonen
Janne Ruuhonen

In 2023, the Nomination Committee had two meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

4.6 OP Cooperative Committee of Chairs

The Committee of Chairs comprise the Chair and Vice Chairs of the Supervisory Council, the Chair and Vice Chair of the Board of Directors, and President and Group Chief Executive Officer. The duties of the Committee of Chairs include preparing the agendas of the Supervisory Council in cooperation with the Board of Directors, and preparing proposals to the Supervisory Council regarding the recipients of OP Financial Group's Gebhard Medals and golden badges of honour. The Chair of the Supervisory Council acts as the Chair of OP Cooperative's Committee of Chairs. The First Vice Chair of the Supervisory Council acts as the Vice Chair of OP Cooperative's Chairs.

Composition and meetings of the Committee of Chairs in 2023

Annikka Nikola, Chair
Taija Jurmu, Vice Chair
Jarna Heinonen
Jaakko Pehkonen
Timo Ritakallio
Ari Väänänen

In 2023, the Chairs had six meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

4.7 OP Cooperative's Board of Directors

Based on OP Cooperative's Bylaws, the Board of Directors is tasked with:

- controlling the operations of the central cooperative, the central cooperative consolidated, the amalgamation and the entire OP Financial Group in accordance with the Supervisory Council instructions and managing the administration and due organisation of the operations of the central cooperative in accordance with the Co-operatives Act, the Act on Credit Institutions, the Act on the Amalgamation of Deposit Banks and other legislation and with official instructions and decisions, and being responsible for ensuring that supervision of the central cooperative's accounting and financial management is duly organised (administrative duty)
- supervising the central cooperative, the central cooperative consolidated, the amalgamation and the entire OP Financial Group that they are managed reliably, efficiently and in compliance with prudent business principles, and supervising the central cooperative, its subsidiaries and the companies within the amalgamation that they act on the laws applied to them, orders and decisions issued by the relevant authorities, on their bylaws or articles of association and on the principles and



instructions confirmed by the Supervisory Council and Board of Directors (supervisory duty)

- appointing the central cooperative's Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer and other directors reporting directly to the President and Group Chief Executive Officer (excluding the Deputy to the President and Group Chief Executive Officer)
- confirming a charter for itself and for each of its committees and other preparatory bodies it may set up, and appointing a chair, vice chair and members to them
- deciding on issuing supplementary shares and on the types of supplementary shares as specified in greater detail in §27 of the Bylaws, and on refusing the refund of ordinary and supplementary cooperative contributions and cancelling said refusal as specified in greater detail in §28 of the Bylaws
- deciding on donations and other similar contributions to the public good unless a decision on the matter concerned resides with the Cooperative Meeting, in accordance with §31 of the Bylaws
- deciding on convening the Cooperative Meeting, and submitting draft resolutions to the Cooperative Meeting concerning the alteration of Bylaws, the allocation of surplus shown on the balance sheet and other matters to be decided by the Cooperative Meeting.

In addition, it is the duty of the Board of Directors to monitor developments in OP Financial Group's operating environment and changes in relevant legislation applicable to OP Financial Group and their effects on OP Financial Group's operations. A detailed description of duties is in the charter approved by the Board of Directors.

Based on the Bylaws, the Board of Directors comprises the incumbent President and Group Chief Executive Officer and 9–13 other members appointed by the Supervisory Council. The Bylaws require that a minimum of four members of the Board of Directors must be independent of the central cooperative and other OP Financial Group companies. In the assessment of independence, the Group complies with regulations that are binding on credit institutions.





Members of the Board of Directors must have the skills and knowledge required to perform their duties and sufficient knowledge of the financial industry. The Chair of the Board of Directors must have at least ten years of experience in demanding business executive duties, and other members must have at least five years of experience in similar duties or demanding expert duties related to those required of the members of the Board of Directors. The charter of the Supervisory Council Nomination Committee specifies the eligibility criteria applied to the members of the Board of Directors.

The term of office of members of the Board of Directors other than the President and Group Chief Executive Officer is one calendar year.

Every year, the Board of Directors elects from among its members a Chair and Vice Chair. The President and Group Chief Executive Officer, or another person with an employment or executive contract with the central cooperative may not be appointed Chair or Vice Chair of the Board of Directors.

4.7.1 Composition and meetings of the Board of Directors in 2023

Information on Board members' other relevant positions is available on OP Financial Group's website at www.op.fi - OP Financial Group - About us - [Corporate Governance](#) - [Board of Directors](#).

	Name, year of birth and place of residence	Position on OP Cooperative's Board of Directors	Full-time position, job title, education/degree(s)	Independence of OP Cooperative and OP Financial Group
	Jaakko Pehkonen, 1960, Helsinki	Chair as of 1 January 2020	Professor of Economics, University of Jyväskylä, D.Sc. (Econ. & Bus. Adm.), rahoitusneuvos (Finnish honorary title)	
	Jarna Heinonen 1965, Turku	Vice Chair as of 1 January 2020	Professor in Entrepreneurship, University of Turku, School of Economics, D.Sc. (Econ. & Bus. Adm.)	
	Jari Himanen, 1962, Mikkeli	Member 1 Jan 2020–31 Dec 2023	Managing Director, OP Suur-Savo; Diploma in Business and Administration, eMBA, kauppaneuvos (Finnish honorary title)	
	Kati Levoranta, 1970, Espoo	Member as of 1 January 2020	Executive Vice President, Commercial and Operational Activities, P2X Solutions Oy; LL.M., Trained on the bench, MBA	Independent of the Group

	Pekka Loikkanen, 1959, Kuopio	Member as of 1 January 2020	Board professional; M.Sc. (Econ. & Bus. Adm.)	Independent of the Group
	Tero Ojanperä, 1966, Espoo	Member as of 1 July 2020	Entrepreneur, Board professional; M.Sc. (Eng.); D.Sc. (Tech.)	Independent of the Group
	Riitta Palomäki, 1957, Tampere	Member as of 1 January 2020	Board professional; M.Sc. (Econ. & Bus. Adm.)	Independent of the Group
	Timo Ritakallio, 1962, Helsinki	Member as of 1 January 2020 (President and Group CEO is a Board member during their term of office)	President and Group CEO, OP Financial Group; CEO, OP Coop- erative; D.Sc. (Tech.), LL.M, MBA	
	Petri Sahlström, 1971, Oulu	Member as of 1 January 2022	Professor of Accounting and Finance, University of Oulu; D.Sc. (Econ. & Bus. Adm.)	
	Olli Tarkkanen, 1962, Seinäjoki	Member as of 1 January 2020	Managing Director, Etelä-Pohjanmaan Osuuspankki, LL.M, eMBA	



Mervi Väisänen, 1963,
Sotkamo

Member
1 Jan 2020–31
Dec 2023

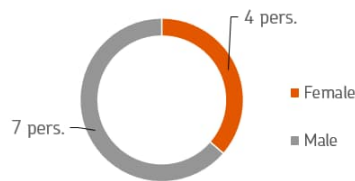
Senior Lecturer in Mar-
keting, Kajaani Univer-
sity of Applied Sciences;
M.Sc. (Econ. & Bus.
Adm.), Certified Board
Member & Chair

Jari Himanen and Mervi Väisänen resigned their Board membership after 31 December 2023. To replace Himanen and Väisänen, OP Cooperative's Supervisory Council elected Matti Kiuru and Katja Kuosa-Kaarti as new Board members on 5 December 2023 for the term 1 January–31 December 2024.

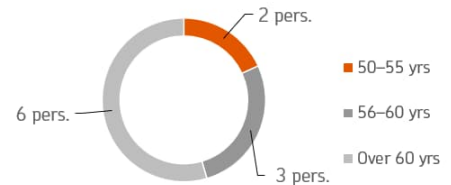
In 2023, the Board of Directors had 16 meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, read OP Financial Group's Remuneration Report for Governing Bodies at www.op.fi - OP Financial Group - To the media - Publications - [OP Financial Group's publications](#).

Diversity of the Board of Directors

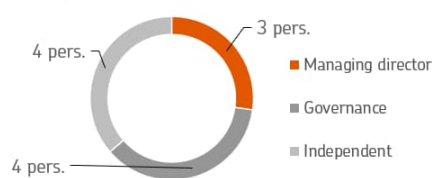
Gender



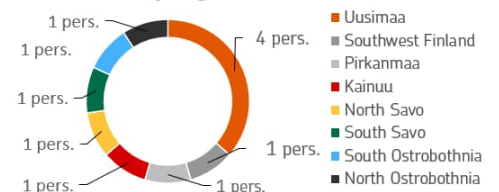
Age



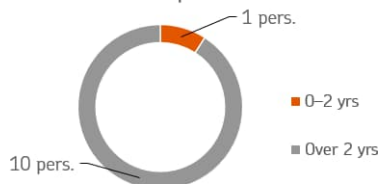
Background



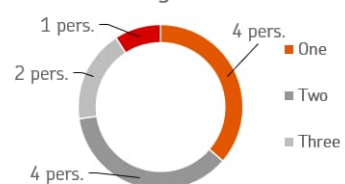
Breakdown by region



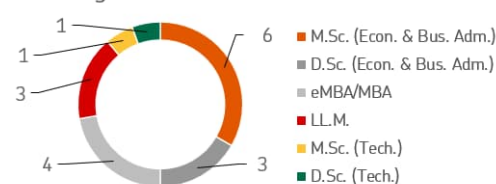
Board membership



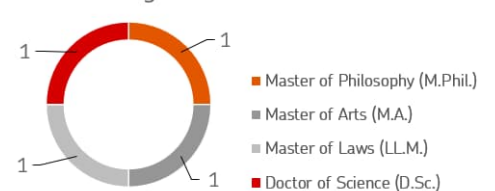
Number of degrees



Finnish degrees



International degrees



4.8 Committees of the Board of Directors

Based on the Act on Credit Institutions, the Board of Directors has the Audit Committee, the Risk Committee, the Nomination Committee and the Remuneration Committee, whose composition and duties are prescribed in the central cooperative Bylaws and whose duties in greater detail are prescribed in each committee's charter approved by the Board of Directors. These Committees assist the Board of Directors in matters within their remit. On 26 April 2023, OP Cooperative's Annual Cooperative Meeting approved an alteration of the Bylaws, on the basis of which the Nomination and Remuneration Committee of the Board of Directors was divided into two separate committees: Nomination Committee of the Board of Directors and Remuneration Committee of the Board of Directors.

Each Committee comprises a Chair and at least two other members elected by the Board of Directors from among its members, of whom the Chair and the majority of the members, the Chair included, must be independent of OP Financial Group companies. President and Group Chief Executive Officer may not be selected as a member of the committees.

4.8.1 Audit Committee

As its statutory duties, the Audit Committee assists the Board of Directors in monitoring and evaluating the effectiveness of the financial reporting system, internal control, internal audit and risk management systems, in ensuring the independence of the audit and the Auditor and in the preparation of the appointment of an Auditor.

Furthermore, the Committee assists the Board of Directors in monitoring and controlling that agreements between the entity and related parties and other legal acts meet the requirements concerning inclusion in daily operations and compliance with market terms.

To carry out its duties, the Committee, among other things:

- supervises the reliability and compliance of the financial statements, other information disclosed on the financial position and governance, and of internal and regulatory reporting related to the financial position.
- supervises the adequacy, operational efficiency and reliability of internal audit and compliance with the Internal Audit Charter.
- assesses the adequacy, operational efficiency and reliability of other internal control, and compliance with principles governing these operations, from the perspective of the sufficiency and reliability of information on financial position and of compliance with the related regulation.
- discusses OP Financial Group's accounting policies, the principles of capital adequacy measurement and the Internal Audit Charter, to be submitted to the Board of Directors for decision, with the exception of any technical or otherwise minor changes to the Internal Audit Charter, on which the Committee decides
- deals with and assesses matters related to audit and auditors.
- prepares a draft resolution regarding the election of an auditor.

Audit Committee's composition and meetings in 2023

Riitta Palomäki, Chair
Jarna Heinonen, Vice Chair
Tero Ojanperä (until 2 May 2023)
Pekka Loikkanen

In 2023, the Audit Committee had five meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

4.8.2 Risk Committee

The statutory duty of the Risk Committee is to:

- assist the Board of Directors in matters relating to the central cooperative's and the entire OP Financial Group's risk strategy and risk-taking, and in supervising compliance with the risk strategy determined by the Board of Directors
- assess whether the prices charged for services that tie the capital of OP Financial Group's companies are in line with the company's business model and risk strategy and, if this is not the case, draw up a plan to make corrections which is to be submitted for approval by the Board of Directors
- assist the Remuneration Committee in establishing sound remuneration schemes, and assesses whether the remuneration schemes promote taking into account the company's risks and capital and liquidity requirements, as well as revenue allocation and probability.

To carry out its duties, the Committee, among other things:

- supervises the adequacy of the business's internal control, independent risk management and compliance, operational efficiency and reliability, and compliance with principles governing these operations.

Risk Committee's composition and meetings in 2023

Pekka Loikkanen, Chair

Kati Levoranta, Vice Chair (until 2 May 2023)

Riitta Palomäki

Petri Sahlström, Vice Chair (as of 2 May 2023)

In 2023, the Risk Committee had 11 meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

4.8.3 Nomination and Remuneration Committee 1 January–15 May 2023

The Nomination and Remuneration Committee's statutory duty is to assist the Board of Directors in decisions related to the management and control of the remuneration schemes. The Nomination and Remuneration Committee provides a framework for, controls and supervises the development of overall remuneration applied to employees within the entire OP Financial Group. The Committee prepares to the Board of Directors a recommendation on the remuneration applied to OP cooperative banks' senior management and members of governing bodies. The Committee prepares a proposal to the Board of Directors for changing or postponing remuneration in a situation where applying the remuneration scheme would be contrary to the interests of OP Financial Group due to the operating environment or the Group's financial position.

Furthermore, the Committee's statutory duty is to assist the Board of Directors in the appointment of the Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer and directors directly reporting to the President and Group Chief Executive Officer (excluding the Deputy to the President and Group Chief Executive Officer).

Nomination and Remuneration Committee's composition and meetings between 1 January–1 May 2023

Jaakko Pehkonen, Chair

Tero Ojanperä, Vice Chair
Kati Levoranta, member
Mervi Väisänen, member

In 2023, the Nomination and Remuneration Committee had two meetings. The average attendance rate of its members stood at 100%.

4.8.4 Nomination Committee

The Committee's statutory duty is to assist the Board of Directors in the appointment of the Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer and directors directly reporting to the President and Group Chief Executive Officer (excluding the Deputy to the President and Group Chief Executive Officer).

Nomination Committee's composition as of 2 May 2023 and meetings in 2023

Tero Ojanperä, Chair
Mervi Väisänen, Vice Chair
Kati Levoranta, member

In 2023, the Nomination Committee had three meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

4.8.5 Remuneration Committee

The Remuneration Committee's statutory duty is to assist the Board of Directors in decisions related to the management and control of the remuneration schemes. The Remuneration Committee provides a framework for, controls and supervises the development of overall remuneration applied to employees within the entire OP Financial Group. The Committee prepares to the Board of Directors a recommendation on the remuneration applied to OP cooperative banks' senior management and members of governing bodies. The Committee prepares a proposal to the Board of Directors for changing or postponing remuneration in a situation where applying the remuneration scheme would be contrary to the interests of OP Financial Group due to the operating environment or the Group's financial position.

Remuneration Committee's composition as of 2 May 2023 and meetings in 2023

Kati Levoranta, Chair
Jaakko Pehkonen, Vice Chair
Tero Ojanperä, member

In 2023, the Remuneration Committee had three meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

4.9 OP Financial Group's President and Group Chief Executive Officer

The President and Group Chief Executive Officer, who acts as the CEO of OP Cooperative, is responsible for managing OP Financial Group, the central cooperative and the central cooperative consolidated and is in charge of controlling them in accordance with the strategy confirmed by the Supervisory Council and instructions issued by the Board of Directors. The President and Group Chief Executive Officer is also responsible for Group unity and managing and developing the Executive Management Team's work.



The Supervisory Council appoints the President and Group Chief Executive Officer and decides on the terms and conditions of their executive contract. Deputy to the President and Group Chief Executive Officer is appointed in the same order as the President and Group Chief Executive Officer. The President and Group Chief Executive Officer sits on the central cooperative's Board of Directors.

Timo Ritakallio, D.Sc. (Tech.), LL.M., MBA, took up his duties as OP Financial Group's President and Group Chief Executive Officer on 1 March 2018. Harri Nummela, LL.M., eMBA, Executive Vice President, has acted as Deputy to the President and Group Chief Executive Officer and as Deputy CEO of OP Cooperative as of 1 March 2022.

4.10 OP Cooperative's Executive Management Team

The Executive Management Team acts as the central cooperative's Management Team and supports the President and Group Chief Executive Officer in managing OP Financial Group, the central cooperative and its consolidation group, in preparing strategic policies, preparing and implementing any operational issues of great significance or principal in nature and in ensuring effective internal control, compliance and independent risk management. Decisions in the Executive Management Team are made by the President and Group Chief Executive Officer with the help of the Executive Management Team. The Executive Management Team does not make any collective decisions.

The Executive Management Team takes charge of the overall control of, OP Financial Group, the central cooperative and its consolidation group in such a way that profit and other targets are achieved while following OP Financial Group's values, strategy and operating and management principles. The Executive Management Team also acts as an informing and coordination body for the management of different functions and business units.

By a decision of the President and Group Chief Executive Officer, the Executive Management Team may set up committees, management teams or steering groups that comprise members of the Executive Management Team and other employees. The President and Group CEO confirms the charters of the preparatory bodies, which determine their duties and possible decision-making powers, and appoints members to them unless the charter states otherwise about the appointment in question. By decision of the President and Group CEO, the Executive Management Team has set up the Steering and Compliance Committee, the Risk Management Committee, the Banking ALM Committee and the ESG Committee. Other management teams established under the Executive Management Team include the Data and Technology Management Team, the Cybersecurity Management Team, the CoEs Development Management Team, the Customer Experience Management Team and the AML Steering Group.

4.10.1 Executive Management Team's composition and meetings in 2023



Timo Ritakallio, b. 1962
President and Group Chief Executive Officer, CEO of OP Cooperative
Chair
On the Executive Management Team since 2018
D.Sc. (Tech.), LL.M, MBA



Harri Nummela, b. 1968
Executive Vice President, Banking Personal and SME Customers; Deputy President and
Group Chief Executive Officer
On the Executive Management Team since 2014, and previously from 2007 until 2010
LL.M, eMBA



Vesa Aho, b. 1974
Executive Vice President, Insurance Customers, member of the Executive Management
Team since 2018
M.Sc. (Econ. & Bus. Adm.)



Kasimir Hirn, b. 1976
Chief Information Officer
On the Executive Management Team since 2022
M.Sc. (Econ. & Bus. Adm.)



Katja Keitaanniemi, b. 1973
Executive Vice President, Banking Corporate and Institutional Customers
On the Executive Management Team since 2018
Lic.Sc. (Tech.)



Hannakaisa Länsisalmi, b. 1970
Chief Human Resources Officer
On the Executive Management Team since 2020
Ph.D. (Psych.)



Markku Pehkonen, b. 1962
Chief Risk Officer (CRO)
On the Executive Management Team since 2022
M.Sc. (Econ. & Bus. Adm.)



Mikko Timonen, b. 1975
Chief Financial Officer (CFO)
On the Executive Management Team since 2022
M.Sc. (Econ. & Bus. Adm.)



Tiia Tuovinen, b. 1964
Chief Legal Officer (CLO) and Group General Counsel (Legal Services and Compliance)
On the Executive Management Team since 2018
Master of Laws, LL.M. Eur.

In addition, Chief Audit Executive Sakari Lehtinen attended the meetings of the Executive Management Team until 30 June 2023.

The relevant previous experience and other relevant positions of members of the Executive Management Team are presented on OP Financial Group's website at www.op.fi - OP Financial Group - About us - Corporate governance - [Executive Management Team](#).

In 2023, the Executive Management Team had 40 meetings. The average attendance rate of its members stood at 94%.

Tiia Tuovinen was member of the Executive Management Team and Chief Legal Officer (CLO) and Group General Counsel until 31 December 2023. Rami Kinnala took up his duties as a member of the Executive Management Team and Chief Legal Officer (CLO) and Group General Counsel on 1 January 2024. Hanna Porkka has been appointed a new Executive Management Team member and a new EVP of Wealth Management of OP Financial Group. She will take up her duties no later than 1 April 2024.

4.11 Subsidiaries of the central cooperative consolidated

In each subsidiary of the central cooperative consolidated, the board of directors is responsible for the subsidiary's governance and for due organisation of its operations. When performing their duties, the boards of directors take account of OP Financial Group's strategic statements and other policy lines, confirmed principles and guidelines issued and confirmed by OP Cooperative's Supervisory Council, Board of Directors and President and Group Chief Executive Officer concerning matters where the central cooperative is obliged or has the right to issue policy lines and guidelines regarding the entire Group.

OP Cooperative's (the central cooperative's) Board of Directors presents significant subsidiaries of the central cooperative with proposals for the appointment of board members (aside from representatives of member cooperative banks). The Supervisory Council, in turn, presents significant central cooperative subsidiaries with proposals for the appointment of board members representing member cooperative banks. After this, the subsidiary's board of directors is elected in a manner specified in the Articles of Association and the laws in force. As part of corporate governance, the central cooperative's Board of Directors also makes advance proposals for the appointment of the above-mentioned subsidiaries' managing directors and their deputies. The Group's guidelines on managing conflicts of interest are applied in such selections.

The charters of the subsidiaries' boards of directors describe the duties of each board of directors. The boards of directors annually draw up an action plan showing a meeting schedule and the most important items on each meeting's agenda.

The major subsidiaries by segment are described in section 2.1.

The members of the boards of directors and the Managing Directors, Deputy Managing Directors, Presidents and Deputy Presidents of major subsidiaries engaged in business in 2023:

Company	Board of Directors	Managing Director/President/CEO
OP Corporate Bank plc	Ritakallio Timo, Chair Sorri Pasi Rinne Petteri Timonen Mikko Lehtilä Olli Tuovinen Tiia	CEO: Keitaanniemi Katja Deputy CEO: Jaulimo Jari
OP Mortgage Bank	Timonen Mikko, Chair Heikkilä Mari Nurmi Satu	CEO: Eriksson Sanna Deputy CEO: Ruotsalainen Tuomas
OP Retail Customers plc	Nummela Harri, Chair Keitaanniemi Katja (until 31 March 2023) Nikula Leena Posio Keijo Timonen Mikko (until 9 March 2023) Hirn Kasimir (as of 9 March 2023) Tuovinen Tiia (as of 15 May 2023)	CEO: Peura Masa Deputy CEO: Peltola Heikki



Pohjola Insurance Ltd	Ritakallio Timo, Chair Länsisalmi Hannakaisa Reimasto-Heiskanen Jaana Vilpponen Jani Timonen Mikko	CEO: Aho Vesa Deputy CEO: Puustinen Pekka
OP Life Assurance Company Ltd	Aho Vesa, Chair Tuovinen Tiia Mourujärvi Piia Timonen Mikko Arvio Kalle	CEO: Heinonen Sari Deputy CEO: Taponen Katja
OP Fund Management Company Ltd	Nummela Harri, Chair Vanha-Honko Vesa-Matti Annina Tanhuanpää	CEO: Takala Juha Deputy CEO: Pauliina Forsström
OP Asset Management Ltd	Keitaanniemi Katja, Chair (1)* Kivimäki Mika (3)* Kuvaja Jussi (2)* Nummela Harri (3)* (until 30 June 2023) Timonen Mikko (5)* Kai Kalajainen (2)* (as of 1 July 2023)	CEO: Virtala Tuomas Deputy CEO: Kalle Saariaho
OP Custody Ltd	Tiihonen Jarmo, Chair (1)* Lauha Janne (2)* Palu Anni (1)*	Managing Director: Sakki Kirsi Deputy Managing Director: Kirsi Ylikoski

*Number of directorships as specified in the Investment Firms Regulation (IFR) (EU 2019/2033) is shown in brackets. Publication of this information is required with respect to members of the highest governing bodies of OP Asset Management Ltd and OP Custody Ltd.

5 INTERNAL AND EXTERNAL CONTROL

5.1 Internal control

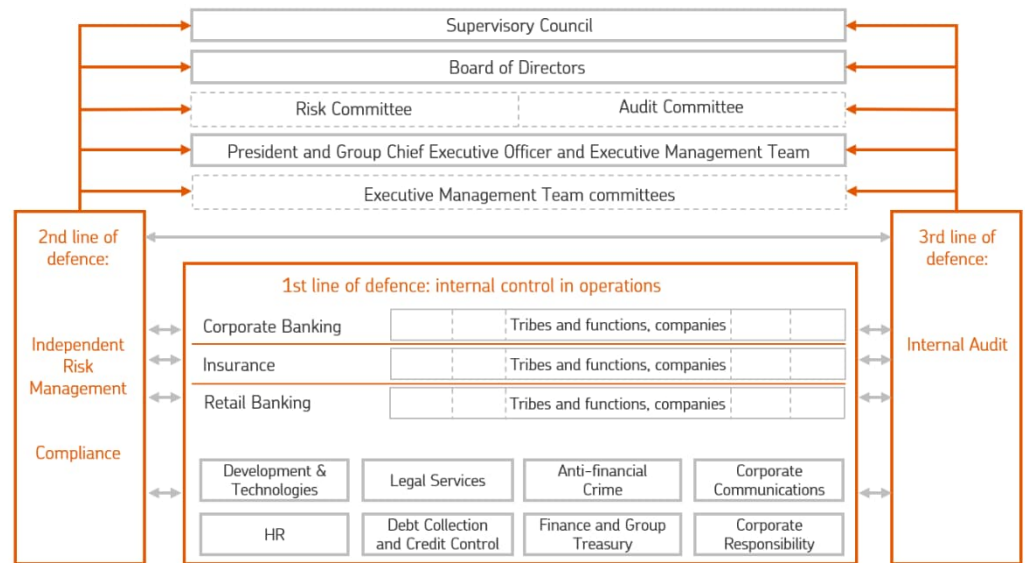
Internal control is a continuous process implemented by the management and other personnel with the aim of providing reasonable assurance of the achievement of targets related to functions, reporting and compliance. It consists of continuous advance guidance and retrospective assurance tasks and functions, which seek to ensure high-quality operations and compliance with guidelines and regulations. These actions apply to all operations, including outsourced services.

At OP Financial Group, OP Cooperative's Board of Directors confirms the Group-level principles of internal control that all OP Financial Group entities follow.

The aim of internal control at OP Financial Group is to promote and ensure that the key functions:

- implement the strategy and achieve the goals
- manage risks and capital adequacy
- operate effectively and reliably
- have reliable financial and other reporting
- comply with regulation, regulatory requirements and guidelines.

Internal control involves all of the internal guidance exercised to ensure that OP Financial Group's operations are directed towards its targets. It includes all of the operating methods intended to ensure high-quality leadership, risk prevention and management, operational development, the assessment of profitability, accurate reporting and regulatory compliance in operations. Internal control seeks to ensure that the management lays the foundations for high-quality operations.



The roles and responsibilities related to internal control and risk management are arranged into three lines of defence. The first line of defence, the business and centralised functions, are the risk owners. Therefore, they are responsible for compliance with the principles of the confirmed risk management framework – the risk limits and moderate risk appetite – as well as the principles of internal control.

The business is primarily responsible for organising, implementing and monitoring internal control in the processes it owns. The business must perform internal control on an ongoing basis as part of its daily routines, with the aim of ensuring that its operations are in line with the objectives. The business is responsible for ensuring that the reported information is correct and sufficient.

The second line of defence, the functions independent of the business, is responsible for maintaining the internal control framework and for monitoring the implementation of the related policies and procedures. The central cooperative's Risk Management is responsible for OP Financial Group's risk management framework, assessment, monitoring and reporting. The central cooperative's Compliance is responsible for monitoring and ensuring compliance with internal and external rules throughout the organisation, as well as the process for managing compliance risks.

The third line of defence, the central cooperative's Internal Audit, which is independent of the business and the second line of defence, performs independent internal audit activities directed at governance, risk management and control processes and reports to the Group entities' boards of directors and other management. Furthermore, external auditors ensure the effectiveness of internal control.

Every line of defence is responsible for the organisation, adequacy and implementation of the internal control of its own activities.



In the central cooperative's governance, the Audit Committee of the Board of Directors, in particular, has a major role in ensuring that internal control performs effectively and in compliance with regulation. Internal control observations, recommendations given to the business line/division concerned and the progress of the implementation of such recommendations are reported to the Committee on a regular basis.

The board of directors of each OP Financial Group entity is tasked with ensuring that each entity's internal control is duly organised, taking account of the Group-level internal control principles and the supplementary central cooperative guidelines. Each entity's managing director and senior management are responsible for ensuring internal control in practice and that duties are duly segregated.

Internal control is complemented by the opportunity of anyone employed by an OP Financial Group entity to report through an independent channel if they suspect that rules or regulations have been violated (whistleblowing). The channel is also available to parties outside of OP Financial Group.

5.2 Compliance

Managing compliance risks forms part of internal control and good corporate governance and, as such, forms an integral part of business management and corporate culture. Responsibility for regulatory compliance and its supervision within OP Financial Group entities rests with the Group Senior Management and senior management, and all supervisors and managers. In addition, everyone employed by OP Financial Group is responsible for their part for regulatory compliance.

Compliance assists senior and executive management and business lines/divisions in the management of risks associated with regulatory non-compliance, supervises regulatory compliance and, for its part, develops internal control further. Guidelines, advice and support concerning compliance within OP Financial Group are the responsibility of the central cooperative's compliance organisation that is independent of business lines/divisions. The Compliance organisation is led by the Chief Compliance Officer appointed by OP Cooperative's Board of Directors. The Compliance Officer regularly reports to the Chief Legal Officer (CLO) and Group General Counsel in administrative terms and the Risk Committee of the Board of Directors of OP Cooperative in operational terms.

Compliance ensures that regulations are complied with and implemented mainly by performing compliance supervision, by drawing up compliance risk assessments and by participating in regulatory management groups and the risk assessment of operating models related to new products and services. OP cooperative banks have their own designated persons in charge of compliance. In order to ensure that their operations comply with regulations, OP cooperative banks receive support from the central cooperative's Retail Banking Steering, which is part of the first line of defence. In addition, the central cooperative's Compliance organisation controls and supports OP cooperative banks' compliance measures. As part of the first line of defence, the business segments also have persons holding the role of Risk & Compliance Lead, who support regulatory compliance and internal control.

Any observations made within compliance are reported regularly to the business segments, to OP Cooperative's Executive Management Team and its Steering and Compliance Committee, and to the Risk Committee and Audit Committee of the Board of Directors. In addition, Compliance reports compliance matters required by regulation to the boards of directors of the central cooperative consolidated's major subsidiaries on a quarterly basis, including its key compliance observations, compliance recommendations and the progress in implementing such recommendations.



One of the strategic priorities of OP Financial Group is to strengthen the risk management and compliance culture. In 2023, Compliance updated OP Financial Group's compliance risk assessment and ML, TF and sanctions risk assessments, which constitute key tools in the risk-based targeting of compliance supervision and compliance support provided to business divisions. In addition, Compliance continued to further develop its tools, improved the system support for the management of OP Financial Group's guidelines and continued to utilise data analytics as part of the compliance risk assessment and controls. Compliance increased its human resources during the year.

5.3 Risk management

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 (for further information, see section 4.8.2). 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 RAS and the RAF. The risk management-related tasks of various bodies are described in more detail in their respective charters.

The principles for the arrangement of OP Financial Group's risk management set by OP Cooperative's Board of Directors and prepared by OP Cooperative's senior management are as follows:

- Strategy and OP Financial Group's RAS: Senior management prepares business divisions' strategic choices that, in terms of risk-taking, are based on OP Financial Group's Risk Appetite Statement (RAS), confirmed by OP Cooperative's Supervisory Council. The Risk Appetite Statement outlines and gives grounds for what risks each business is ready to take and to what extent. Businesses are obliged to operate within the limits of these restrictions.
- Division of responsibilities: Senior management decides on how risk-taking responsibilities are divided. The Group defines what risks different revenue logics (product and service packages) can take and any potential elaborations on what risks legal entities and various functions can take within the revenue logics.
- Governance structures provide the basis on which key principles guide operations and the related policies, and operating instructions are appropriately prepared and resolved. In addition, governance structures provide a basis for the proper assessment and supervision of the quality, scope and complexity of each activity by expert, business-independent parties, in addition to the business's own monitoring. Senior management must ensure the maintenance and development of sufficient resourcing and expertise for the monitoring functions of the first, second and third line of defence.
- The Risk Appetite Framework (RAF): OP Financial Group's RAF defines the general strategic intents of the risk management process at OP Financial Group and specifies this intent by revenue logic. The guidelines set preconditions for how senior management should organise the risk management process at OP Financial Group.
- Joint and several liability: Control of joint and several liability between the central cooperative and member cooperative banks is based on the document, Principles of corporate governance as required under joint and several liability.



- Remuneration principles: OP Financial Group's remuneration schemes are built in line with the Group's mission, values and targets, ensuring regulatory compliance. Remuneration must not incentivise unnecessary risk-taking or the taking of actions against the customer's interests. The same risk measurement methods are used in remuneration as in capital and liquidity adequacy assessment processes. In addition, any risk adjustments to be made before payment of remuneration must be based on other risk management metrics. If these metrics are adjusted as part of risk management processes, corresponding adjustments must be made in remuneration.
- Internal control, good business practices and corporate security: Principles of internal control, good corporate governance and good business practices and corporate security also set preconditions for practices.

The most significant areas in need of development in 2023 were: 1) Increasing the predictability of the assessment of capital adequacy. 2) Testing the operationalisation, valuation data and liquidity reporting of the confirmed resolution strategy and improving data quality. 3) Improving the clarity and effectiveness of risk reporting and 4) Improving the discriminatory power and accuracy of credit risk measurement using new internal credit risk models.

5.4 Internal audit

Internal audit constitutes independent and objective assessment, verification and consulting activities with a view to generating added value to OP Financial Group and improving its operations. The central cooperative's Internal Audit is responsible for the performance of Group-level, risk-based internal audit in all OP Financial Group entities. Internal Audit is headed by the Chief Audit Executive appointed by OP Cooperative's Board of Directors. The Chief Audit Executive reports on the audit activities to the President and Group Chief Executive Officer in administrative terms and to the Audit Committee of OP Cooperative's Board of Directors in operational terms.

Internal Audit annually draws up an action plan based on the Internal Audit assessment of current risks and significant future risks associated with OP Financial Group's operations. The action plan and its changes, if any, are discussed by OP Cooperative's Executive Management Team and the Audit Committee of the Board of Directors and approved by OP Cooperative's Board of Directors. Internal Audit regularly reports its audit observations and the implementation status of its recommendations to OP Financial Group's executive and senior management.

In its activities, Internal Audit complies with the Internal Audit Charter confirmed by OP Cooperative's Board of Directors, and the International Standards for the Professional Practice of Internal Auditing confirmed by the Institute of Internal Auditors (IIA). Internal audit performance is subject to external quality assessment every five years.

In 2023, a new Cooperative Banks team was set up within Internal Audit and a new operating model for the banks' audit was adopted to ensure the coverage of audits of OP cooperative banks. In addition, an operating model for a root cause analysis was developed and adopted.

In 2023, internal audits were targeted at all of the central cooperative's business and group functions and at OP cooperative banks. The audits were prioritised and targeted on the basis of internal audit risk assessments and an action plan while taking account of OP Financial Group's strategic targets, regulatory requirements and internal audit priorities. During 2023, the audits especially focused, for example, on credit risk management, financing processes and data management.

5.5 External control

5.5.1 Audit

OP Cooperative has one auditor, which must be a firm of authorised public accountants certified by the Finnish Patent and Registration Office. The auditor also audits the consolidated financial statements as referred to in section 9 of the Act on the Amalgamation of Deposit Banks, i.e. the OP Financial Group's financial statements. The Cooperative Meeting elects the auditor.

The term of office of the auditor expires upon the closing of the Annual Cooperative Meeting following its election. The Audit Committee of OP Cooperative's Board of Directors puts audit services out to tender at some seven years' interval, on the basis of which it makes a recommendation to the Board of Directors on the auditor to be appointed. Competitive tendering of an auditor was carried out in 2022 for 2024. The Board of Directors makes a proposal to the Cooperative Meeting regarding the appointment of an auditor.

The audit firm's auditors are tasked with auditing the accounting, internal control, accounting policies, management accounting judgements, presentation and structure of the financial statements of OP Financial Group, its entities and sub-groups in order to obtain assurance that the financial statements of the Group and its entities have been prepared in compliance with the rules and regulations in force governing the preparation of financial statements, and that they give OP Cooperative's members and other stakeholders a true and fair view of the financial position, financial performance and cash flows of the Group. In addition, the auditors regularly issue other statements on the basis of specific regulation applicable to the sector.

The Audit Committee of the Board of Directors deals with and assess matters related to audit and auditors:

- by regularly consulting the auditor
- by discussing and assessing the audit plan, auditor's reports and other relevant reports issued by the auditor
- by monitoring and assessing audits
- by assessing the auditor's independence of mind
- by assessing the provision of non-audit (ancillary) services and monitoring their use
- by approving special assignments given to the auditor.

KPMG Oy Ab, an audit firm, has acted as OP Cooperative's auditor since 2002, with authorised public accountant Juha-Pekka Mylén as the Chief Auditor since 2019. KPMG Oy Ab acts as the auditor of entities belonging to OP Cooperative Consolidated, or the central cooperative consolidated, with auditors appointed by KPMG Oy Ab acting as chief auditors. PricewaterhouseCoopers, an audit firm, also acts as auditor of OP Financial Group member cooperative banks, in addition to KPMG Oy Ab.

OP Cooperative Consolidated has used KPMG Oy Ab's advisory services in fields such as comfort letters for bond programmes, restructuring arrangements, consulting related to regulation and tax services and counselling.

Audit fees for statutory audit are based on an annual plan.

In 2023, audit fees paid to auditors totalled EUR 3.9 million (3.4), whereas assignments as referred to in chapter 1, section 1(1)(2) of the Auditing Act totalled EUR 0.1 million (0.1),



fees for tax advisory services EUR 0.2 million (0.2) and fees for other services EUR 1.8 million (1.1). Non-audit services provided by KPMG Oy Ab to OP Financial Group entities totalled EUR 2.0 million (1.3) (excl. VAT). The corresponding figures for 2022 are shown in brackets.

5.5.2 Control within the amalgamation of deposit banks

The amalgamation of deposit banks is formed by OP Cooperative (the central cooperative), companies belonging to its consolidation group, the central cooperative's member credit institutions and companies belonging to the consolidation groups of such institutions, as well as credit institutions, financial institutions and service companies in which the aforementioned institutions jointly hold more than half of the voting rights. OP Cooperative controls the amalgamation's operations and provides the companies within the amalgamation with guidelines for risk management, good corporate governance and internal control with the aim of safeguarding their liquidity and capital adequacy. The central cooperative may also confirm general principles to be followed by the member credit institutions in operations relevant to the amalgamation.

In addition, OP Cooperative supervises the amalgamation entities in the manner referred to in the Act on the Amalgamation of Deposit Banks.

5.5.3 Regulatory supervision

OP Financial Group as a credit institution is supervised by the European Central Bank (ECB) banking supervision. In other respects, the Finnish Financial Supervisory Authority oversees OP Financial Group and its 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.

6 FINANCIAL REPORTING PROCESS

The different financial management units subordinate to OP Financial Group's CFO take charge of not only the preparation of interim reports, half-year financial reports, financial statements bulletins and annual financial statements for OP Financial Group and Group entities, as required by financial accounting, but also of the production of management accounting reports, such as monthly reports on business performance. The Controller function within OP Financial Group also produces earnings forecasts, analyses the actual outcome in comparison with the forecasts, and reports on any deviations.

Group-level financial information correctly consolidated using sub-ledger accounting and OP Financial Group entities' information forms the basis of reliable financial reporting.

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 management compares financial information in financial reports with related plans, and analyses any differences. In addition, the management assess the earnings outlook for the current year and for a longer period of time. 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 the performance and risk exposure and any deviations from targets.

External reporting is based, for example, on the International Financial Reporting Standards, the Finnish Limited Liability Companies Act, the Act on Credit Institutions, the Insurance Companies Act, the Accounting Act, and the standards and regulations issued by the Financial Supervisory Authority. OP Financial Group's shared principles are applied in the accounting, financial statements and consolidated financial statements of OP Financial Group entities. Responsibility for the interpretation of, guidelines on and advice on International Financial Reporting Standards (IFRS), other laws governing the preparation of financial statements and official accounting requirements as well as the preparation of and compliance with common accounting policies rests with OP Cooperative, OP Financial Group's central cooperative. Whenever necessary, the entity turns to auditors who give a statement of the selected principles and interpretations.

6.1 Organisation of financial reporting

OP Cooperative's Board of Directors is the highest decision-making body in matters associated with business control. The Board of Directors must ensure that supervision of accounting and treasury is duly organised. It decides on reporting, procedures and qualitative and quantitative indicators used to assess operational efficiency and performance. The Board of Directors discusses and approves OP Financial Group's financial statements and interim reports (including half-year financial reports and financial statements bulletins).

The statutory and regulatory duty of the Audit Committee of the Board of Directors is to assist the Board of Directors in monitoring and controlling the financial reporting system. To carry out its duties, the Committee supervises the reliability and compliance of the financial statements, other information disclosed on the financial position and governance, and of internal and regulatory reporting related to the financial position by:

- discussing OP Financial Group's financial statements, half-year financial reports and interim reports as well as other information disclosed on OP Financial Group's financial position, and the financial statements of the central cooperative consolidated
- assessing the Corporate Governance Statement issued annually
- assessing significant or exceptional transactions and the related management judgement
- assessing the appropriateness and efficiency of the processes for preparing financial statements, half-year financial reports and interim reports and the processes for internal and regulatory reporting concerning the financial position as well as the sufficiency and reliability of data used in these processes
- ensuring that financial reporting fulfils sustainability related regulatory requirements
- regularly consulting the Chief Compliance Officer who is responsible for independent compliance
- familiarising itself with audit reports issued by the authorities supervising OP Financial Group and with other reports, and by assessing any measures such reports require
- assessing how OP Financial Group complies with laws, statutes, official regulations and instructions and regulatory requirements
- monitoring regulatory developments
- supervising the management's response to any shortcomings discovered in the effectiveness of internal control, to non-compliance observations and to recommendations issued by Internal Audit.

The CEO must ensure, in accordance with the Co-operatives Act, that the company's accounting is in compliance with applicable laws and that treasury has been organised in a



reliable manner. The OP Cooperative Finance and Group Treasury function is in charge of OP Financial Group's financial reporting.

The Group has centralised the preparation of financial statements and interim reports (including half-year financial reports and financial statements bulletins) so that they are prepared independently of business lines/divisions. OP Financial Group's shared systems are primarily used in reporting. Operational duties related to financial and management accounting have also been centralised at central cooperative consolidated level.

6.2 Independent assessment of financial reporting

As provided by law, auditors assess the accuracy of financial reporting. The auditors are tasked with auditing the accounting, financial statements and governance of the company and its consolidation group in order to obtain assurance that the financial statements have been prepared in compliance with the rules and regulations in force and that they give owners and other stakeholders a true and fair view of the financial position of the company and its consolidation group and its financial performance and cash flows.

In its process audits, Internal Audit also assesses, when applicable, the effectiveness and adequacy of financial reporting, and reports these audits to the senior management and the Audit Committee of the Board of Directors.

As part of the independent financial reporting assessment, auditors supplement the actual audit by inspecting the planning and effectiveness of controls within centralised functions according to ISAE 3402. Auditors report separately on this specific audit in accordance with this standard.

OP Financial Group's financial statements were prepared in accordance with IFRS, applying IASs, IFRSs and SIC and IFRIC interpretations effective on 31 December 2023.

In 2023, OP Financial Group adopted the following standards and interpretations:

- IFRS 17 Insurance Contracts was adopted on 1 January 2023. More information on the change can be found in OP Financial Group's financial statements Note 3. Changes in accounting policies and presentation.
- Amendments to IAS 1, IAS 8 and IAS 12 took effect on 1 January 2023. The amendments did not have any major effect on OP Financial Group's financial statements.

7 INSIDER MANAGEMENT AND PUBLIC ACCESS TO INSIDER REGISTERS AND LISTS

Entities providing OP Financial Group's investment service, such as member credit institutions of the amalgamation of deposit banks, have the Insider Guidelines and Guidelines for Insider Trading as part of OP Financial Group's Guidelines for Insiders and Insider Trading. The Guidelines contain regulations governing inside information, prohibition against abuse and improper disclosure of inside information, public disclosure of inside information, public registers of insider holdings, non-public lists of insiders, lists of executives as well as reporting and disclosure of transactions, trading restrictions applicable to insiders as well as insider management. The Guidelines also cover restrictions imposed on relevant persons and the organisation of supervision of compliance with the restrictions.

In addition, OP Corporate Bank plc and OP Mortgage Bank as OP Financial Group's issuers of securities have separate guidelines for insiders and insider trading, which they apply in



their role as issuers. These companies have a list of the executive insiders of the issuer. In addition, those who are considered to have ongoing access to all inside information on securities issued by OP Corporate Bank plc are included in the permanent non-public insider list of OP Corporate Bank plc.

The Insider Guidelines and Guidelines for Insider Trading are based on laws governing securities markets, such as the Market Abuse Regulation, regulations and guidelines issued by the Finnish Financial Supervisory Authority, Guidelines for Insiders of Listed Companies issued by Nasdaq Helsinki, and Trading Instructions for FFI Member Organisations.

The Guidelines are aimed at fostering stock market players' trust in OP Financial Group, OP Corporate Bank plc and OP Mortgage Bank.

OP Financial Group's Legal Services maintains public insider registers of the Group entities, registers of relevant persons and, in respect of OP Corporate Bank plc and OP Mortgage Bank as issuers of securities, the lists of executives and, in respect of OP Corporate Bank plc, the list of company-specific permanent insiders. Such maintenance is organised through the SIRE system maintained by Euroclear Finland Ltd.

Whenever necessary, OP Financial Group companies keep project-specific insider lists.

As credit institutions providing investment services, OP Financial Group's member cooperative bank operations include participation in securities trades performed by clients or in other transactions related to securities. In connection with financing arrangements or as part of the bank's other ordinary operations, member cooperative banks and their executives and salaried employees may also receive inside information on client companies. For the abovementioned reasons, among other things, member cooperative banks and their executives and salaried employees are subject to insider regulation as referred to in the applicable law.

Training in insider issues is available on a regular basis. Such training will particularly take place at times following changes in insider guidelines.

Anyone has the right to access the public register of insider holdings and receive extracts and copies of the information in the register against a charge. However, a natural person's personal ID code and address and the name of a natural person other than the insider are not publicly available. Information included in the register of the relevant persons, the list of permanent insiders or the list of project-specific insiders is not publicly available, unlike that included in public insider registers. Extracts from and copies of the public insider register can be ordered from OP's Legal Services for Wealth Management unit. Written requests for such information specifically describing the information should be submitted to:

OP Legal Services
Legal Services for Wealth Management
P.O. BOX 308
FI-00013 OP

8 PRINCIPLES FOR RELATED PARTY TRANSACTIONS

OP Financial Group observes regulations governing related party transactions as provided by the Act on Credit Institutions, the Limited Liability Companies Act and IAS 24 (including the decree of the Ministry of Finance on the financial statements and consolidated financial statements and the report by the board of directors of credit institutions and investment firms, and the Accounting Ordinance).



OP Cooperative's Board of Directors has approved the principles for OP Financial Group related party lending and investments in the related party of a Group entity, which are observed by the following OP Financial Group entities: OP Corporate Bank plc, OP Mortgage Bank, OP Retail Customers plc, OP Asset Management Ltd and OP cooperative banks.

OP Financial Group has defined related parties and related party transactions as stipulated in the Act on Credit Institutions and the Limited Liability Companies Act as well as in the reference provision included in the decree of the Ministry of Finance and the Accounting Ordinance as required by IAS 24. Information on persons and entities included in related parties is registered in a separate register which contains the identification details of these persons and entities, as well as the reason for them being included in related parties. Related party transactions are recorded, and there is a defined decision-making procedure for related party lending and investments.

In connection with the guidelines for related party lending and investments, OP Financial Group companies' boards of directors have confirmed the decision-making powers associated with such lending and investments. Related party lending and investments are approved either by the board of directors or by a separately defined decision-making body authorised by the board of directors. A board decision is always required if a related party loan or investment is not granted under normal loan terms.

Related party lending and investments are regularly reported to companies and regularly controlled as part of compliance supervision. Persons in charge of compliance in credit institutions report any observations concerning related party lending and investments to the credit institutions' boards of directors on an annual basis. In addition, any observations are reported to the central cooperative's Compliance organisation.

OP Financial Group entities report related party transactions in the notes to the accounts as specified in IAS 24.

9 DISCLOSURE POLICY

OP Cooperative's subsidiaries OP Corporate Bank plc and OP Mortgage Bank are in charge of OP Financial Group's funding from money and capital markets. Securities issued by OP Financial Group entities are traded on Euronext Dublin (issued as of 16 February 2018), London Stock Exchange (issued prior to 16 February 2018), or other stock exchanges, in addition to or in place of Nasdaq Helsinki. Additionally, OP Corporate Bank plc has issued and may issue unlisted bonds and/or certificates of deposit on the Finnish, UK, Irish, Australian and Japanese markets, among others. OP Mortgage Bank may also issue unlisted bonds on the German market, among other things.

In their disclosure policy, OP Financial Group, OP Corporate Bank plc and OP Mortgage Bank comply with legislation, decrees and other binding regulations and the rules of Nasdaq Helsinki and, to the appropriate extent, those of other stock exchanges and the regulations and guidelines issued by the Finnish Financial Supervisory Authority and the European Securities and Markets Authority (ESMA). OP Financial Group's Communications takes into account not only the above but also the Corporate Governance Recommendations and the Code of Business Ethics.

OP Financial Group's Communications and Disclosure Policy applies to the disclosure principles and practices of bond issuers (OP Corporate Bank plc and OP Mortgage Bank) and OP Financial Group. The disclosure policy was adopted by OP Cooperative's Board of Directors on 26 October 2021, OP Corporate Bank plc's Board of Directors on 29 October 2021 and OP Mortgage Bank's Board of Directors on 27 October 2021. Technical clarifications have



been made to the background information for the disclosure policy. The President and Group CEO approved the clarifications on 4 December 2023.

The objective of the disclosure policy is to ensure that all market participants have sufficient and accurate information concerning OP Financial Group's matters that may materially affect the value of securities issued by OP Corporate Bank plc and OP Mortgage Bank. OP Financial Group decides the disclosure of information by assessing at Group level whether the matter or event in question materially affects OP Financial Group's or the issuer's capital adequacy and repayment capacity and, through this, the value of a security.

It is the duty of OP Cooperative to ensure that OP Corporate Bank plc and OP Mortgage Bank too disclose, distribute and make available information on matters covered by the disclosure obligation as prescribed by law. The subsidiaries report and publish their own interim reports, financial statements and reports by the board of directors. OP Cooperative discloses for and on behalf of its subsidiaries other information that falls under its disclosure obligation. Communication with regard to securities issued by OP Corporate Bank plc and OP Mortgage Bank is decided upon on a case-by-case basis with the issuer. Responsibility for the issuer's disclosure obligation rests with each issuer.

The disclosure policy describes the key principles and policies followed by OP Financial Group and issuers in their communication with capital market participants and other stakeholders. In addition, the policy describes the disclosure, dissemination and storage of the information within the scope of the disclosure obligation as prescribed by law. OP Financial Group assesses its disclosure policy's consistency, suitability and sufficiency on a regular basis, at least once a year.

OP Financial Group's communications are tasked with promoting the Group's business by providing all stakeholders with accurate information on the Group's goals, targets and operations. External and internal communications aim to support the Group's strategic and business goals and enhance and maintain the Group's strong corporate image while fostering cooperation within the Group. Both external and internal communications are based on facts and provide a true picture of the state of affairs.

The disclosure policy is available at www.op.fi - OP Financial Group - To the media - [Communications and disclosure policy](#).