

OP Financial Group's Year 2022 and Sustainability

Together through time

OP Financial Group



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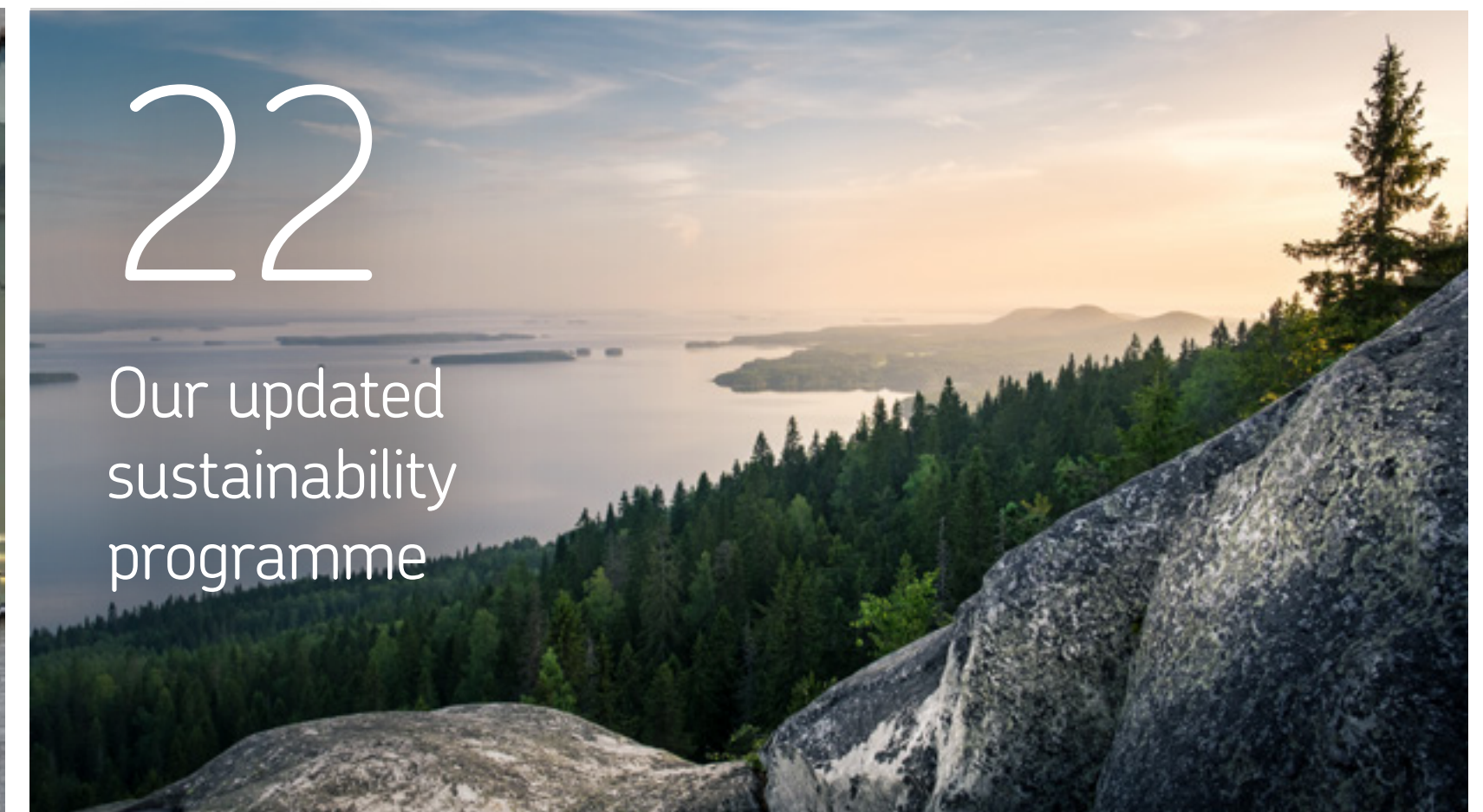
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Our updated sustainability programme

OP Financial Group's Year 2022 and Sustainability review describes how the Group executed its mission and strategy in 2022. It summarises key facts about the businesses, strategy and corporate responsibility efforts of OP Financial Group. The review includes sustainability reporting compliant with the GRI Standards and forms part of OP Financial Group's annual reporting, which includes the Financial Statements, Reports by the Boards of Directors and Corporate Governance Statements of the Group, OP Corporate Bank plc and OP Mortgage Bank, OP Financial Group's Capital Adequacy and Risk Management Report, the Remuneration Report and Remuneration Policy for Governing Bodies, and OP Financial Group's Data Balance Sheet. The reports are available at vuosi.op.fi/en/2022.

OP Financial Group's reports 2022:
[Report by the Board of Directors and Financial Statements](#)
[Capital Adequacy and Risk Management Report](#)
[Corporate Governance Statement](#)
[Remuneration Report for Governing Bodies](#)
[Remuneration Policy for Governing Bodies](#)
[Data Balance Sheet](#)

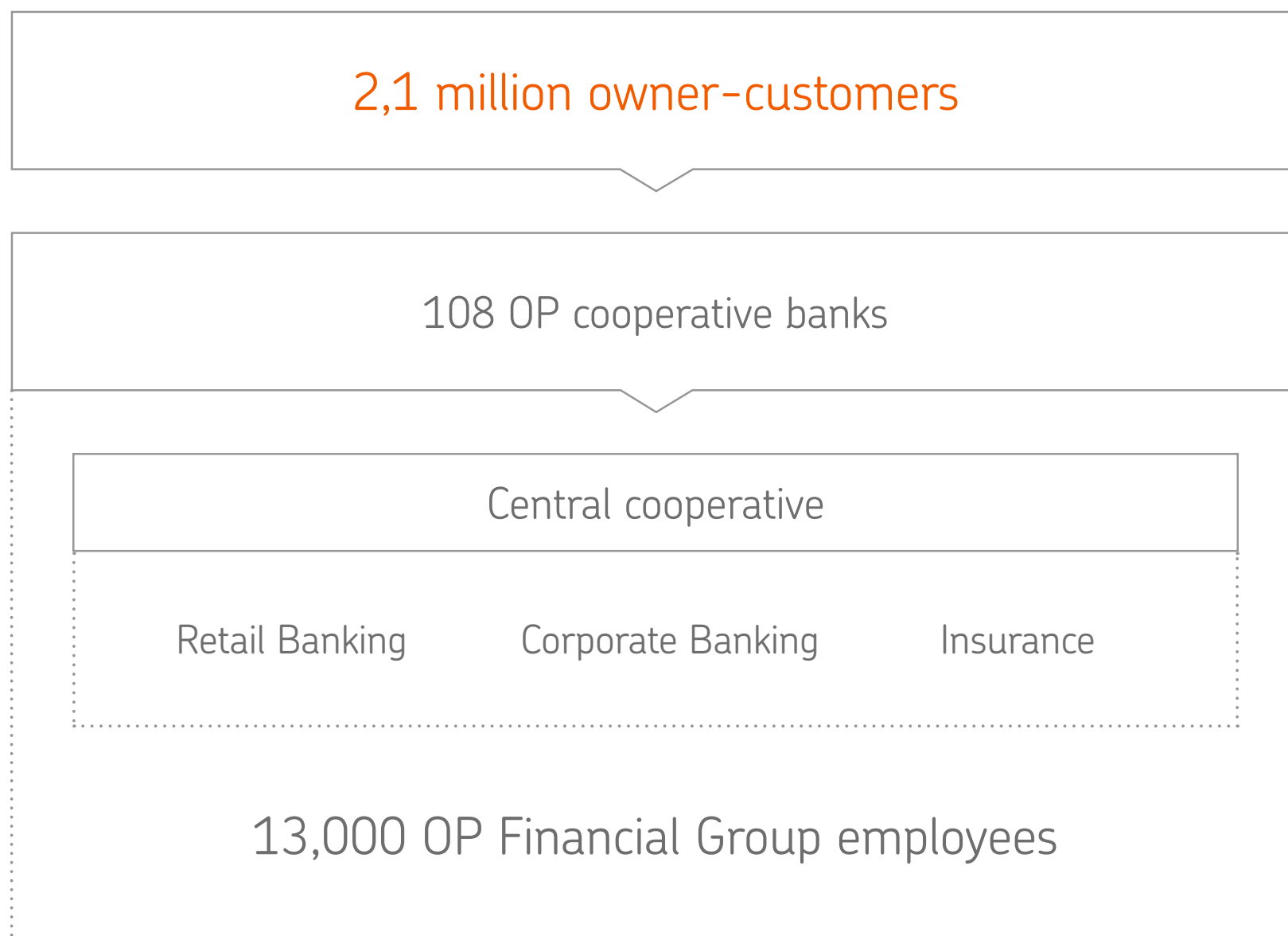
OP Financial Group

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



OP Financial Group in brief

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



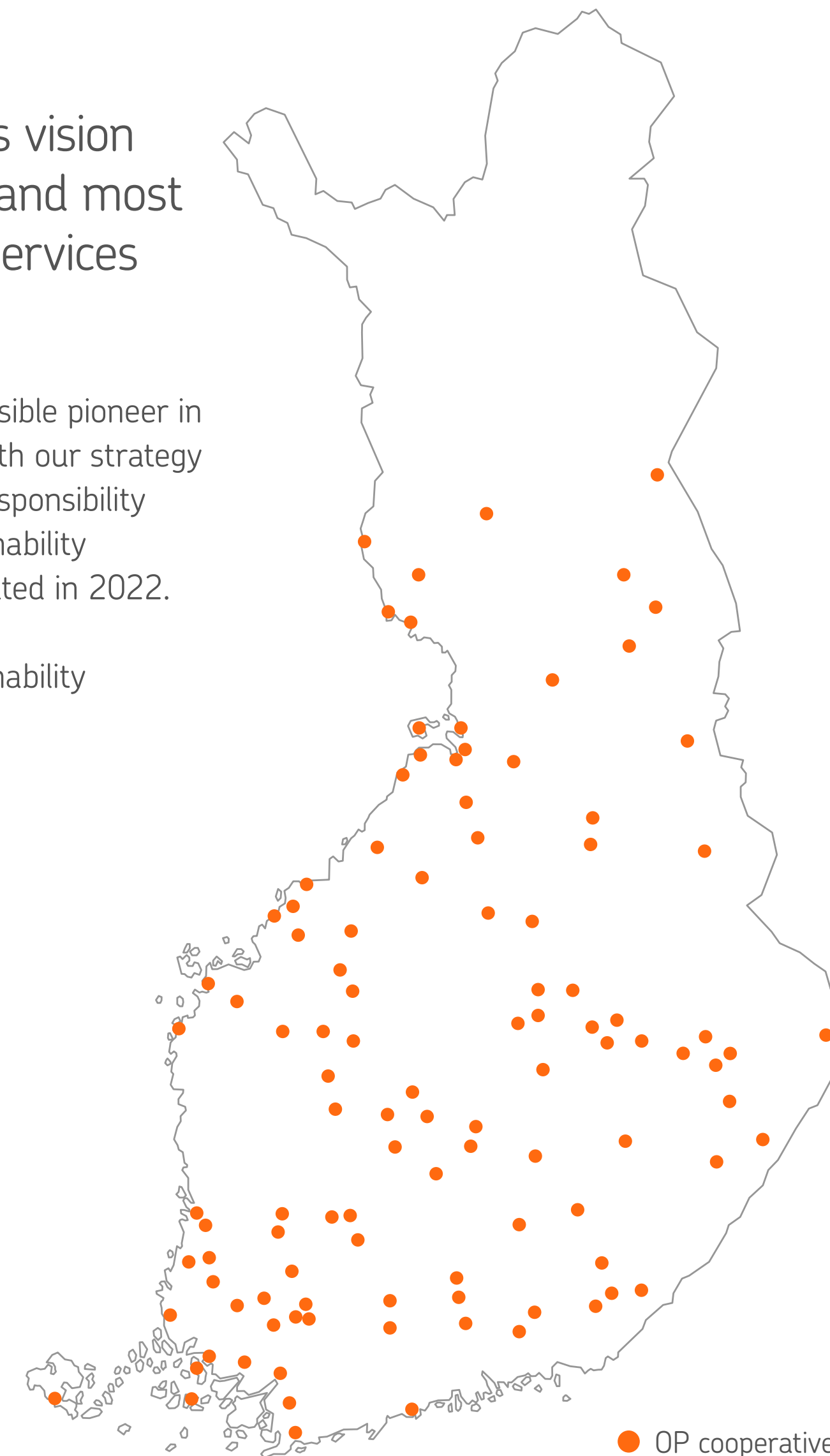
OP Financial Group's vision is to be the leading and most appealing financial services group in Finland.

We also want to be a responsible pioneer in the financial sector, in line with our strategy and values. Our corporate responsibility work is guided by our sustainability programme, which was updated in 2022.

Read more about our sustainability programme on [page 22](#).



More than
1.4
million active users on OP Financial Group's mobile channels



Earnings before tax



- Retail Banking
- Corporate Banking
- Insurance

OP Financial Group EBT

+12%

OP Financial Group balance sheet

175.5
€ billion

Review by the President and Group Chief Executive Officer

OP Financial Group has been fulfilling its mission of promoting the sustainable prosperity, security and wellbeing of its owner-customers and operating region for over 120 years. As a financial services group owned by our customers, we have stood by them in both good and difficult times – together through time. Our owner-customers share in our financial success in many ways. We want to coach our customers in making better financial choices, pointing them towards futures filled with hope.

2022 was a year of great uncertainty

2022 will be remembered as an exceptional year in many respects. Russia's aggressive war in Ukraine and the resulting energy crisis in Europe, combined with rapidly growing inflation and clearly higher market rates, caused exceptional levels of uncertainty in the financial sector's operating environment. A substantial rise in living costs affected the daily lives of our customers, driving households' confidence in their finances and the Finnish economy to record lows. The faltering economy caused strong price fluctuations in the capital market, a major fall in stock and bond prices and, towards the end of the year, a decline in demand for home loans, a fall in residential sales and a weakening trend in home

prices. Despite the gloomier economic outlook and higher market interest rates, the loan repayment capacity of households and businesses remained good.

OP Financial Group reported a strong performance in an uncertain operating environment

Despite the many rapid and unforeseen changes in the operating environment, OP Financial Group reported historically high earnings for 2022. In customer business, income growth was particularly boosted by a strong rise in net interest income in Retail Banking. Corporate Banking and Insurance also reported strong earnings. Our excellent



2022 will be remembered as an exceptional year in many respects.

Timo Ritakallio
President and Group Chief
Executive Officer, OP
Financial Group



performance proves that our strategic focus on our core business – banking and insurance – is delivering results. As part of our continuous strategy process, we regularly and systematically assess our business environment and operating model, so that we can make and implement new strategic choices whenever needed. This maximises our ability to meet our customers’ changing needs and expectations, and react flexibly to the changes and uncertainties in our business environment. Our efficient strategy implementation is supported by our agile way of working based on teams that create customer value.

Our good financial performance creates value for our customers

OP Financial Group is a financial services group owned by its customers. We will allocate part of our profitability improvement to supporting the finances of our almost 2.1 million owner-customers. We have decided to increase the OP bonuses earned by owner-customers for 2023 by 30%. The value of this additional benefit will exceed 60 million euros in total.

To make membership even more beneficial than before, we have actively revised the package of services and benefits we offer to owner-customers. We have paid particular attention to the high quality, smoothness and ease of use of services provided to those owner-customers who use a wide range of our banking and insurance services. In our digital services, we continue to focus our

”
Our continuous strategy process improves our ability to stay alert and respond flexibly to changes and uncertainties in our business environment.

development efforts on our mobile channel. At the end of 2022, OP-mobile had more than 1.4 million active users who logged into the service almost 50 million times a month to manage their banking and insurance matters.

We will build a sustainable tomorrow together

Sustainability has been at the heart of OP Financial Group’s operations throughout our history of more than 120 years. Together with our customers, we will build a sustainable tomorrow based on our sustainability programme revised in 2022. The key themes of the programme are climate and the environment, people and communities, and corporate governance. We want to provide our customers with sustainable financing and investment products, reduce emissions across our loan and investment portfolios, foster an inclusive, diverse and

non-discriminatory culture and promote the wellbeing of our local communities.

In line with our strategy, we have embedded responsibility into our investment, lending and insurance processes, and grown the share of responsible products and services in our offering to customers.

Together through time

Our vision is to be the leading and most appealing financial services group in Finland. Our leading market position, solid capital base, strong profitability, and customers’ trust in our brand provide us with a solid foundation for continuing to coach our customers in making better financial choices, pointing them towards futures filled with hope – together through time.

Our warm thanks to our customers for trusting in us, and to our personnel and governing bodies for their fruitful cooperation.

Timo Ritakallio

President and Group Chief Executive Officer, OP Financial Group

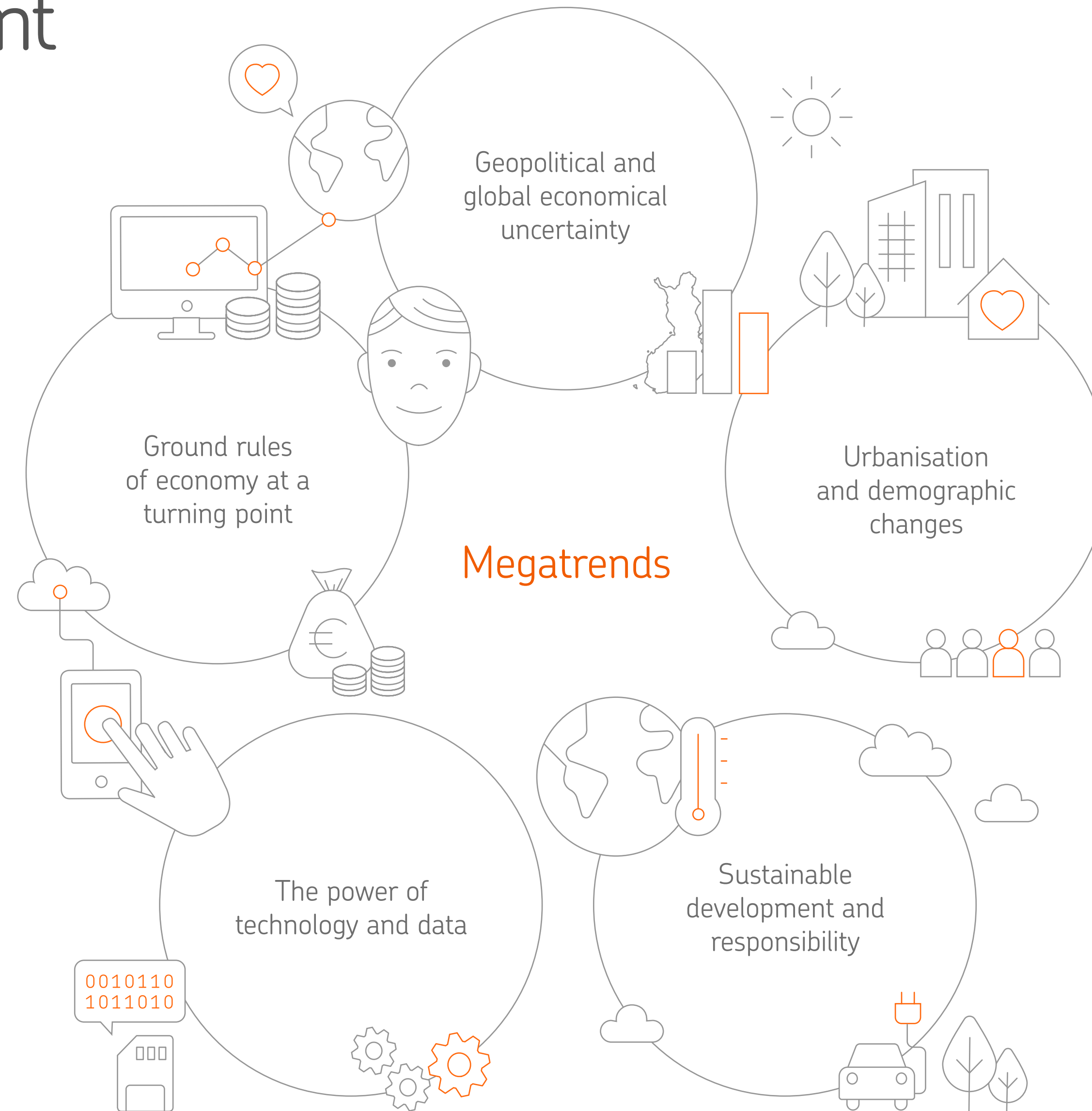


Business environment

OP Financial Group analyses the financial sector's business environment as part of its ongoing strategy process. The megatrends underlying our strategy reflect our outlook on the phenomena and change drivers that will affect the daily lives, circumstances and future of OP Financial Group and its customers.

The business environment of the 2020s includes factors creating major pressure for change in the financial sector. Megatrends, such as migration, urbanisation and ageing of the population are having wide-ranging effects on our customers. Services and our customers are continuing their rapid move to digital channels, as the business environment of banks is subjected to increasing regulation. Responsibility and sustainable development are becoming increasingly important.

In 2022, the business environment was dominated by Russia's attack on Ukraine, the resulting energy crisis in Europe, rapidly growing inflation and clearly higher market rates. Meanwhile, public



Year 2022

- Russia's attack on Ukraine is increasing geopolitical tensions and multipolarity
- The energy crisis in Europe, rising inflation, higher market rates and high levels of public debt pose a challenge to society and the economy
- Consumers are increasing their use of digital services
- Sustainable development and the green transition are starting to change the economic ground rules
- Migration from growth centres to commuter municipalities is increasing as urbanisation continues
- Both customers and regulation are setting higher corporate responsibility requirements
- Regulations governing technology giants and data are being tightened in Europe and elsewhere

debt reached unprecedented heights. These major changes are increasing concerns about future economic performance and have a broad impact on the Finnish society.

From OP Financial Group, the pace and unpredictable nature of change requires the ability to respond with agility. We regularly and systematically assess our business environment and operating model, so that we can make and implement new strategic choices whenever needed. A successful strategy process is based on sufficient alternative assumptions about the direction the world might take. We monitor the realisation of these scenarios and identify trends for which we need to prepare our operations. This enables us to ensure that we prosper while securing the smooth running of critical services, no matter how the business environment changes.

Geopolitical and global economic uncertainty

Globalisation is shaping the financial sector's business environment. Although the Finnish financial market is mainly dominated by domestic and Nordic companies, the digital services of international companies reach across national frontiers. The EU's competition policy, which aims to harmonise regulation, facilitates new companies' entry into the Finnish market, while creating opportunities for Finnish businesses to seek growth in the international market.

Economies, capital and people are intrinsically interconnected in our globalised world. In recent



The direction of change in the business environment can take us by surprise, as demonstrated by the outbreak of war in Europe in 2022.

years, globalisation has been challenged by the Covid-19 pandemic and Russia's attack on Ukraine. Many businesses have also been affected by issues such as disruptions in production chains. Identified production chain vulnerabilities have increased the need of companies to reassess their resilience.

Rising foreign policy tensions in Europe and beyond, for their part, are decelerating globalisation. Tightening geopolitical tensions may also cause globalisation to regress.

Urbanisation and demographic changes

Urbanisation and population ageing are transforming the structures of our society. Finland is no exception to the continued concentration of populations in growth centres. The Covid-19 pandemic further accelerated the need of financial sector players to develop even more seamless and user-friendly digital services, which both the old and young can use regardless of time and place. The pandemic

further speeded up the transfer of customers and services to digital channels. We are a local player with services available through a diverse range of digital channels and the most extensive network of branches nationwide.

Sustainable development and corporate responsibility

Sustainable development involves taking account of people, the economy and the environment to ensure that present and future generations can live a good life. Promotion of sustainable development, stakeholder expectations and greater regulation are challenging businesses to revise their strategies and take better account of their ESG impacts on the environment, society and corporate governance. Sustainability investments may also bring new business opportunities and competitive edge.

Growing regulatory requirements call for new operating practices and are increasing reporting obligations. Financial sector practices are particularly affected by the regulatory framework for sustainable finance and the authorities' expectations regarding the management of sustainability threats. Reliable and comparable data on matters such as climate impact is important for financial sector operators. It is the foundation for, say, developing sustainable investment products, managing credit risk and responding to customer needs.

The power of technology and data

Technological development enables financial-sector service providers to operate more efficiently. It also creates new opportunities for designing services that meet customer needs better than before. Services based on data utilisation enable, for example, smart anticipation of customer needs and smart targeting of services. Data collected from a service may enable new earnings for the service's provider or lead to the launch of completely free services for consumers.

Since customers own their data, they will ultimately decide how and on what terms it can be used. Stakeholders and regulation require companies to use data responsibly and transparently.

Ground rules of economy at a turning point

Digitalisation and the emergence of the platform economy have revolutionised the world. The dynamics of a real-time global economy that runs 24/7 has led to profound changes in economic ground rules. Growing interdependencies, changes in global economic power relations and mounting international tensions are increasing the risks faced by the financial industry. Cryptocurrencies are challenging traditional financial paradigms. In 2022, rising inflation, a rapid increase in interest rates, and the energy crisis affecting Europe in particular, had a major impact on societies and economies.

Strategy and value creation

Our mission, values, vision and strategic priorities form a cohesive whole. Our mission and core values guide our operations and choices and give a meaning to our work. Our vision shows us the direction. To achieve our vision, we continuously monitor our business environment and focus on our strategic priorities.

OP Financial Group’s mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region. This mission has remained almost unchanged for more than 120 years, giving meaning to our work.

Our values guide our operations – our vision provides a direction

Our values – people first, responsibility, and succeeding together – guide everything we do. They have remained unchanged for decades, but their content and meaning were updated in 2022 by our employees and management.

Our vision is to be the leading and most appealing financial services group in Finland. This will require solid finances and a strong market position, no matter what changes occur in the world. We aim to be the number one choice for our customers and partners. We want to be a responsible

player, innovator and forerunner, and an attractive employer in the financial sector.

Our strategic priorities in 2022

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

> Value for customers

We aim to create value for our customers by providing unbeatably smooth services through all our channels. We continuously develop our mobile

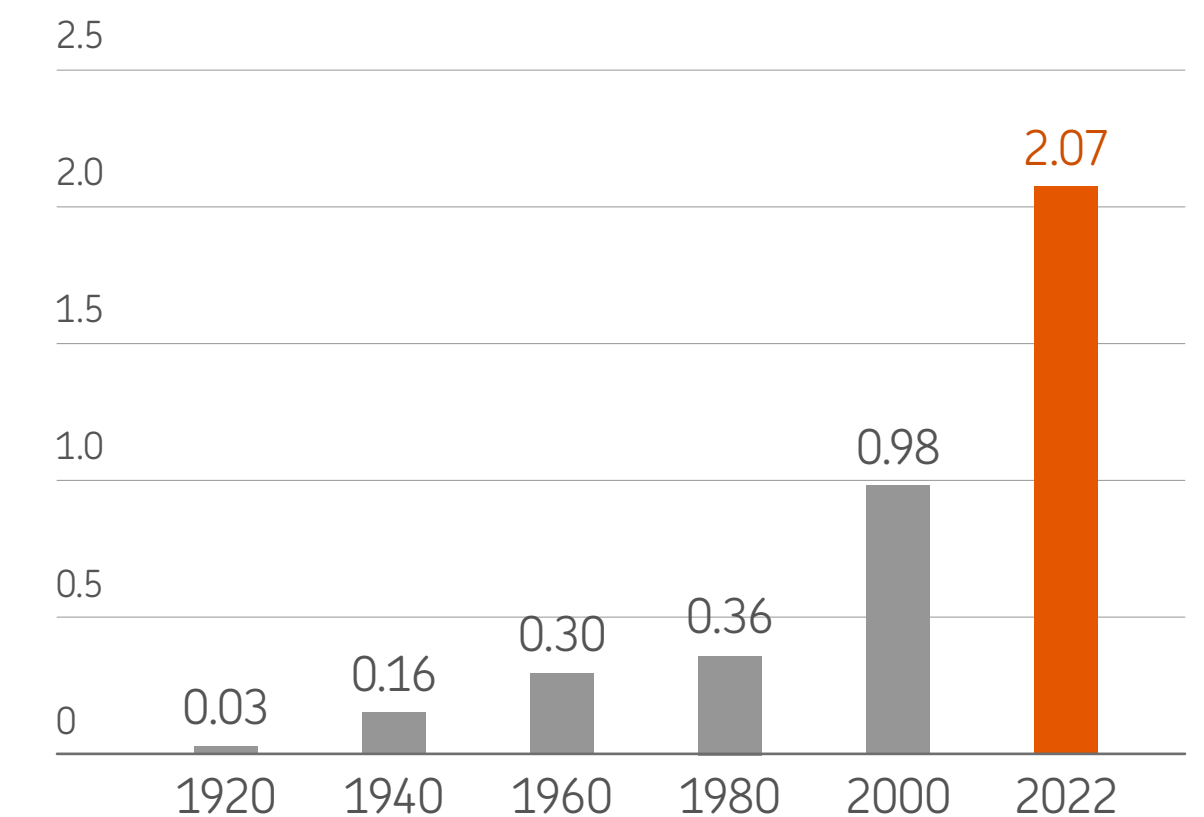
services, introducing new services on our mobile channels first. OP-mobile, which has long been our customers’ most used channel, has more than 1.4 million active users. In OP Business mobile, the number of active users grew by 63% year on year.

OP Financial Group’s success creates value for owner-customers. We will allocate part of our 2022 profitability improvement to supporting the daily lives of our almost 2.1 million owner-customers, by increasing the OP bonuses they earn by 30% in 2023. This means an additional bonus totalling more than 60 million euros for owner-customers of OP Financial Group cooperative banks. We want to continue offering more benefit to our owner-customers and are further developing our service offering for them.

> Profitable growth

We want to help people build wealth and prepare for the future. We aim to grow, particularly in asset and wealth management, and in the fields of non-life and life insurance. Our customers’ growing interest in investing supports our target of growing our saving and investment services. Despite the market fluctuations in 2022, Finnish households continued to invest systematically: in 2022, our customers made almost 108,000 systematic investment plans for mutual funds and opened 71,000 new

Owner-customers, million



book-entry accounts and equity savings accounts. Our market share has grown amongst both mutual fund unitholders and mutual fund assets.

> Efficient high-quality operations

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

that provide us with excellent conditions to stand together with our customers through time.

In 2022, we completed streamlining the structure of the central cooperative consolidated in line with our strategy, as Pohjola Insurance sold its hospital business and the sale of Pohjola Hospital was finalised in early 2022. As specified in our strategy, we focus on banking and non-life insurance – our core business.

We tap into one of Finland’s largest sources of data capital in order to better understand and serve our customers. Artificial intelligence, robotics and automation further enhance the efficiency and quality of our customer service. High-quality data and its use also enable us to develop new banking and insurance services. In 2022, we fostered the data capabilities of our business segments and continued to develop our Group-level data platform, data governance and architecture. Read more in OP Financial Group’s [Data Balance Sheet](#).

Customer behaviour is continuously changing, and customers are increasingly moving to digital channels. We are developing our service network and Group structure so that OP cooperative banks can best fulfil OP Financial Group’s mission and strategy in their regions in the long term.

Merger projects are underway between OP cooperative banks around Finland. There were 108 OP cooperative banks (121) at the end of 2022.

> Responsible business

The increased requirements of customers and other stakeholders regarding corporate responsibility, and regulatory and supervisory requirements impact the entire financial sector. Our customers are increasingly interested in responsible products: around 80% of the over 55,000 new fund investors attracted by OP Financial Group in 2022 chose funds categorised as responsible. In addition, total exposures from green and sustainability-linked loans grew by around 70%.

We aim to engage in customer-driven responsibility activities. We want to provide financing, insurance and investment services, and develop our services and products to help our stakeholders make the sustainability transition. We aim to offer sustainable financing and investment products to our customers and markedly decrease emissions across our loan and investment portfolios.

After consulting various stakeholder groups, such as our employees and customers, we revised our sustainability programme in August 2022. Our revised sustainability programme builds on three themes: climate and the environment; people and communities; and corporate governance. Read more on [page 22](#).

> Highly skilled, motivated and satisfied personnel

We aim to further improve our operations and employee experience by further strengthening our

OP Financial Group’s strategic targets

	31 Dec 2022	31 Dec 2021	Target 2025
Return on equity (ROE excluding OP bonuses), %	8.3	7.8	8.0
CET1 ratio, %	17.4	18.2	At least CET1 requirement + 4 pps
Brand recommendations, NPS (Net Promoter Score, personal and corporate customers)	Banking: 27 Insurance: 17	Banking: 27 Insurance: 16	Banking: 30 Insurance: 20
Credit rating	AA-/Aa3	AA-/Aa3	At least at the level of AA-/Aa3

way of working based on self-managed teams. Promotion and refinement of an agile culture require management based on clear objectives, smooth cooperation across organisations, trust, responsibility and a determined attitude towards learning together.

We will help our personnel to develop their competencies, while flexibly focusing our expertise on changing business needs. Our customers’ needs, business goals and our shared principles of hybrid work are the main drivers of our work.

Strong culture of risk management and compliance

A strong culture of risk management and compliance are an integral part of operations throughout OP Financial Group. Effective risk management involves identifying customer needs, meeting their

expectations, and pricing and managing their risks. The aim of compliance is to ensure that OP Financial Group has the trust of customers, markets, supervisory authorities and stakeholders. We ensure regulatory compliance by providing instructions and training and supporting our personnel in compliance risk management and in identifying the right procedures.

Our compliance culture and corporate responsibility are closely interlinked. We have further strengthened our culture by, for example, developing our processes and recruiting more staff in risk management and compliance positions. By ensuring the reliability of our operations, we support the success of our customers.

How we create value


We create value for our customers, stakeholders and operating region on many levels. In accordance with our mission, we promote the sustainable prosperity, security and wellbeing of our owner-customers and operating region, together through time.


We provide competitive products and services, while ensuring our profitability and capital base. We provide fundamentally important basic services and opportunities for citizens, companies and organisations. We finance sustainable growth and enable wealth creation. We ensure smooth cash and payment services, prevent and provide protection against losses, and promote a responsible economy.


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


Value creation model

Our most important assets

 Highly skilled, motivated and satisfied personnel (12,999)

 Systems and services supporting customer experience – responsible and innovative development

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


 Partner with a strong capital base – economic capital

 Close partner for stakeholders – cooperative values, trust and reputation


Strategic priorities




Outputs and impacts




- The most attractive employer in the financial sector (Universum 2022)
- Employee training: 15 hours/person
- Diversity: proportion of women in executive positions 31%
- Employee turnover: 8.5%



- Brand recommendations, NPS (Net Promoter Score, personal and corporate customers)*
Banking 27 (target 30), Insurance 17 (target 20)
- Product and service development expenditures €313 million
- Customer contacts on OP-mobile and OP Business mobile: 541 million



- CET1 ratio: 17.4%
- Return on equity (excluding OP bonuses): 8.3%
- Interest paid on owner-customer investments: €96 million
- One of the biggest taxpayers in Finland: income tax €242 million



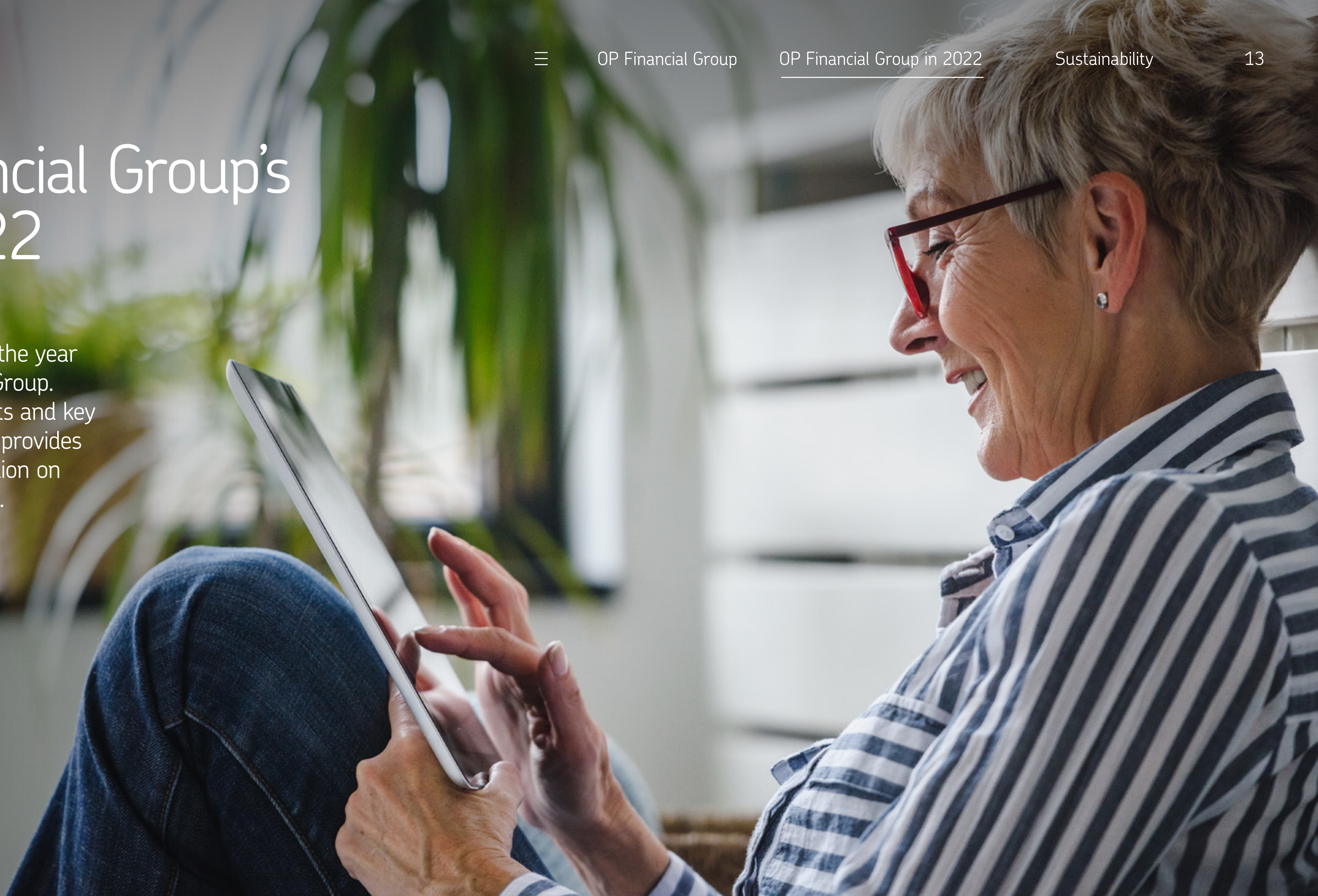
- More than 2 million owner-customers
- New OP bonuses accrued to owner-customers: €215 million
- Thriving local communities: regional impacts
- Promoting sustainable economy: sustainability-linked loans, green loans and credit limits granted €5.2 billion

OP Financial Group's strategy



OP Financial Group's year 2022

This section describes the year 2022 at OP Financial Group. It summarises highlights and key figures and ratios, and provides more detailed information on the Group's businesses.



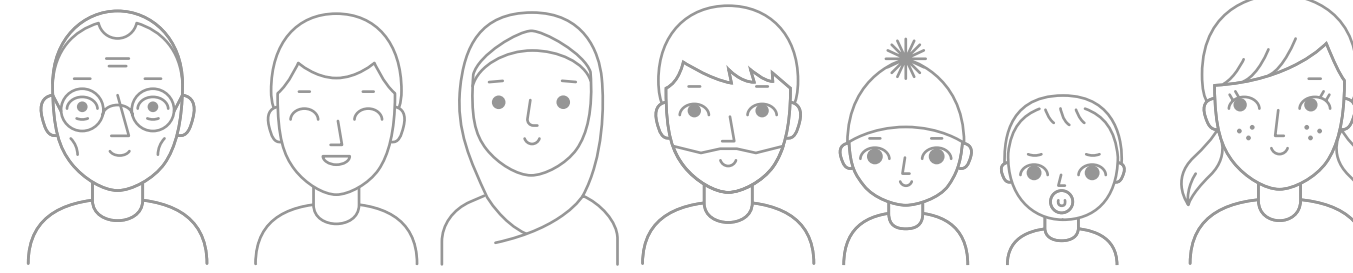
Key figures and ratios 2022

2.1

million owner-customers

215

OP bonuses accrued to owner-customers, € million



3.6

million banking customers

1.7

million non-life insurance customers

0.4

million life insurance customers

+1.6%

Loan portfolio growth

+2.0%

Deposit portfolio growth

0.11%

Ratio of impairment loss on receivables to loan and guarantee portfolio

+15%

Net interest income

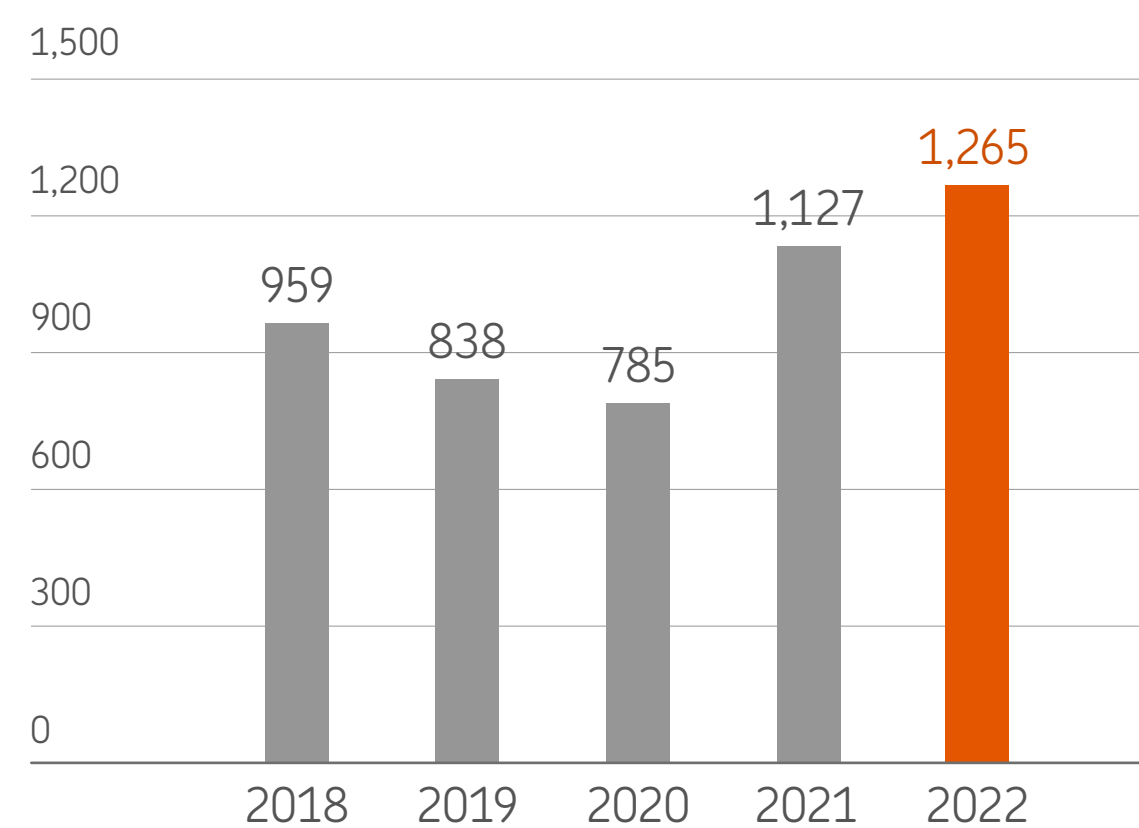
+20%

Net insurance income

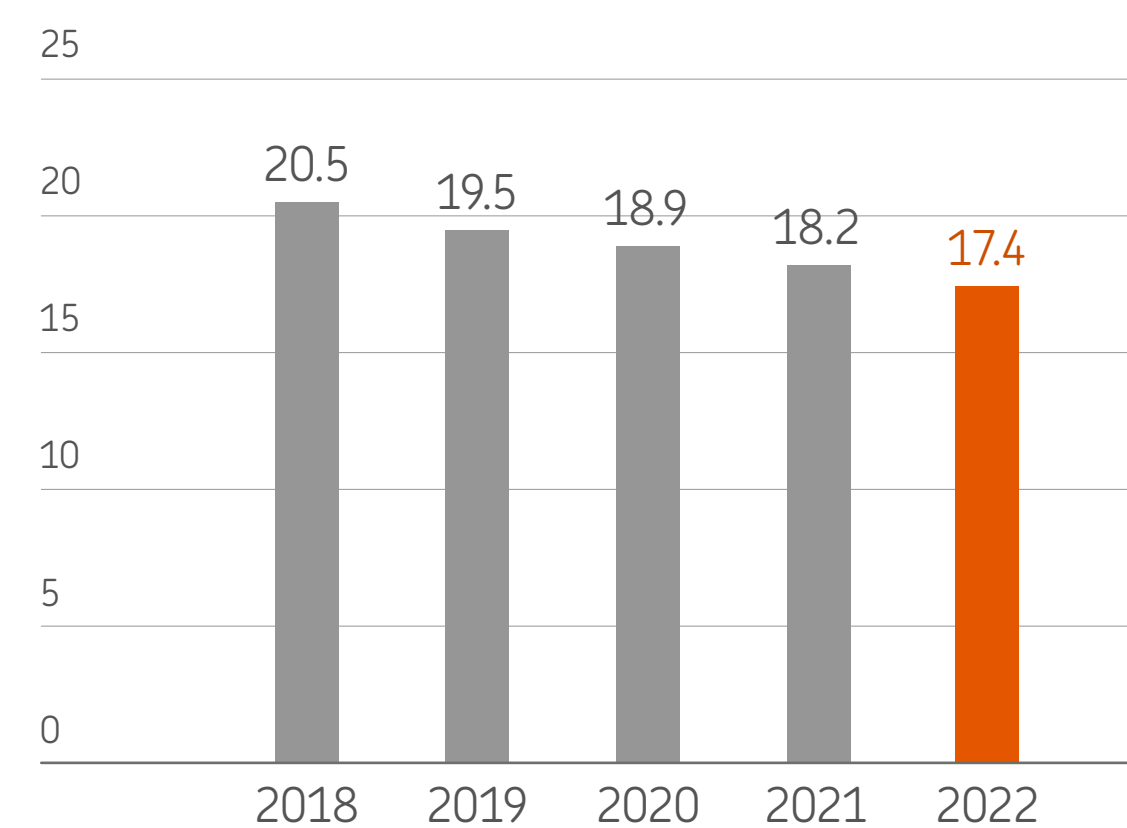
-1%

Total expenses

Earnings before tax, € million



Common Equity Tier 1 ratio (CET1), %



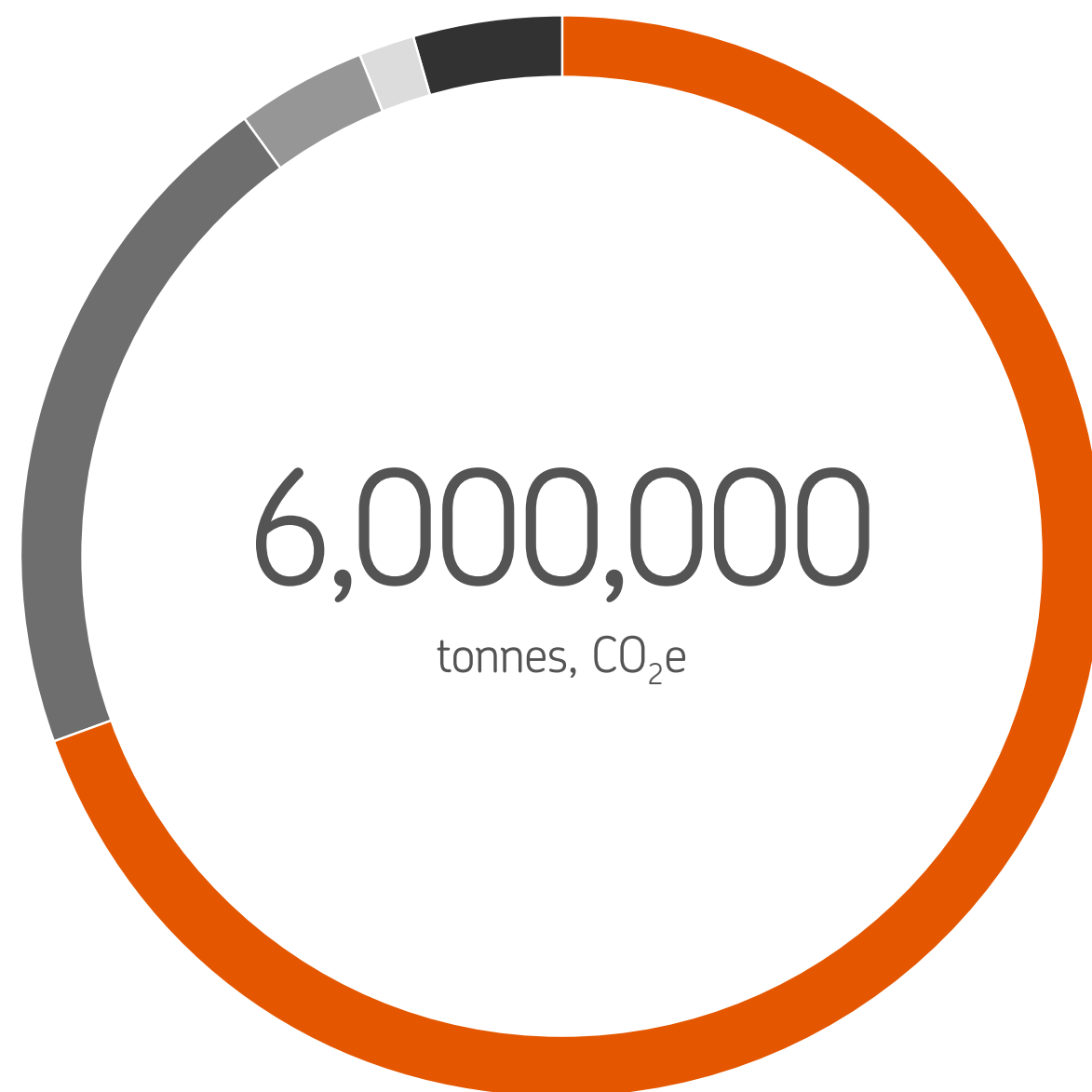
5.2

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

13.0

Assets managed in responsible investment funds, € billion

Emissions of exposures by sector (Scope 1+2)



- Electricity, gas, steam and air conditioning supply
- Agriculture, forestry and fishing
- Manufacturing
- Transportation and storage
- Other, total

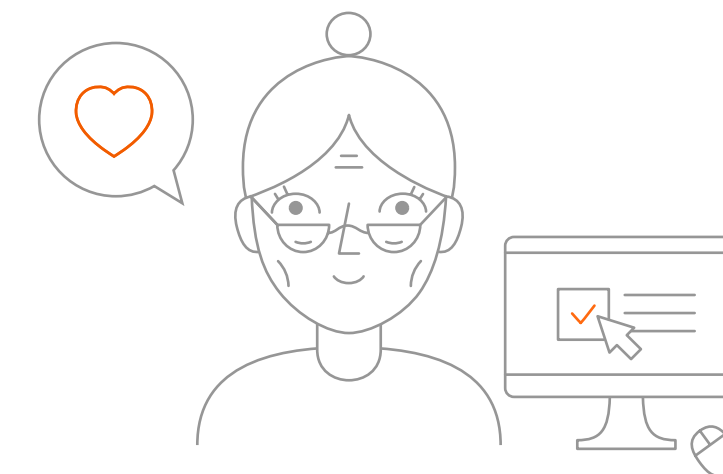
For more detailed information on emissions by sector, see [page 55](#).



Around

90,000

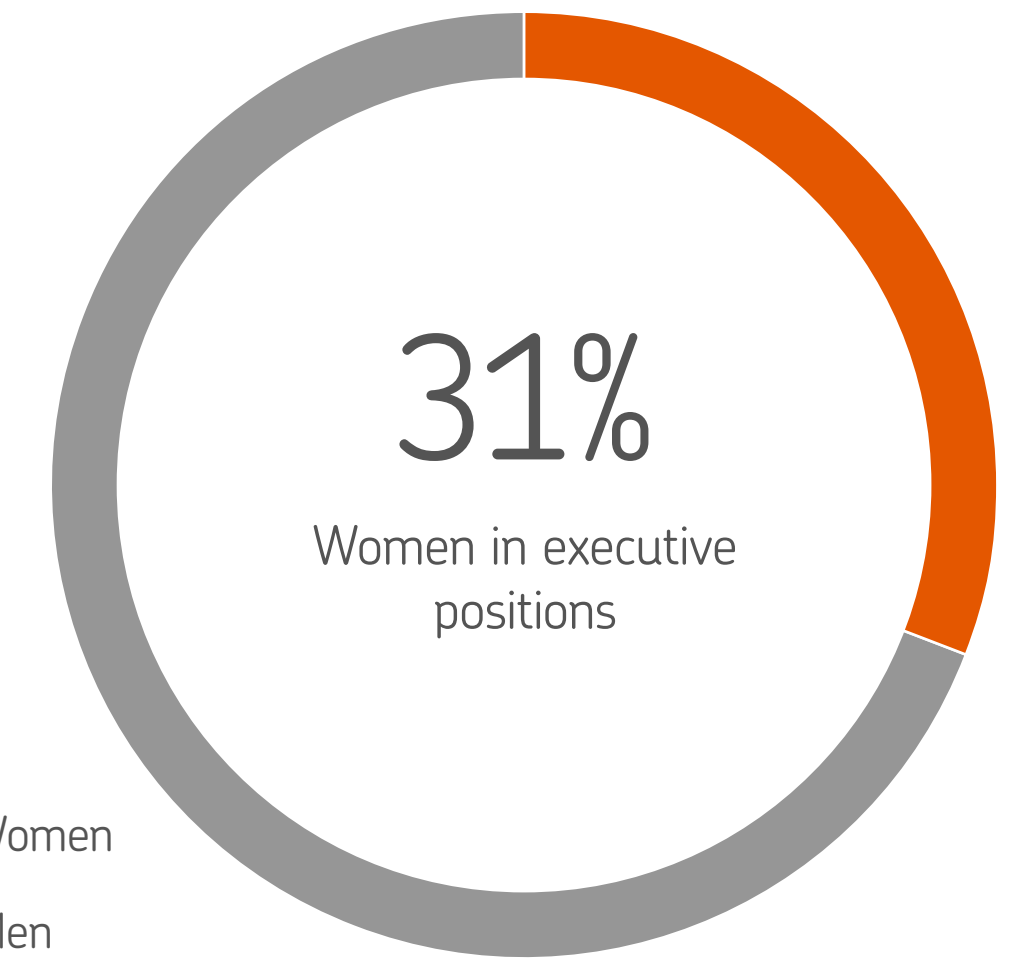
We improved financial literacy among children and young people



Around

12,000

We taught digital skills to older people



- Women
- Men

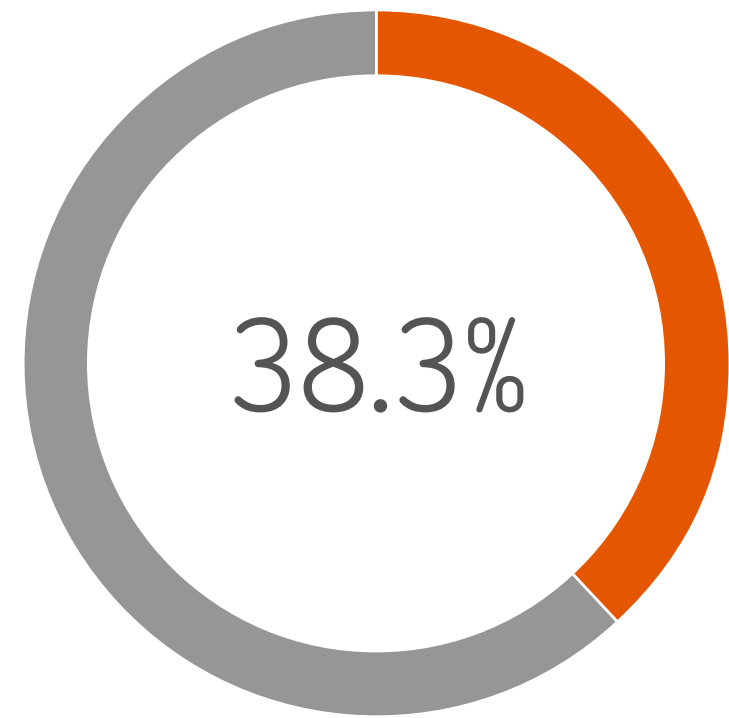


52%

Share of renewable energy in total energy consumption

Retail Banking

Market share in home loans



Earnings before tax

502 € million

Loan portfolio

70.7 € billion

Deposit portfolio

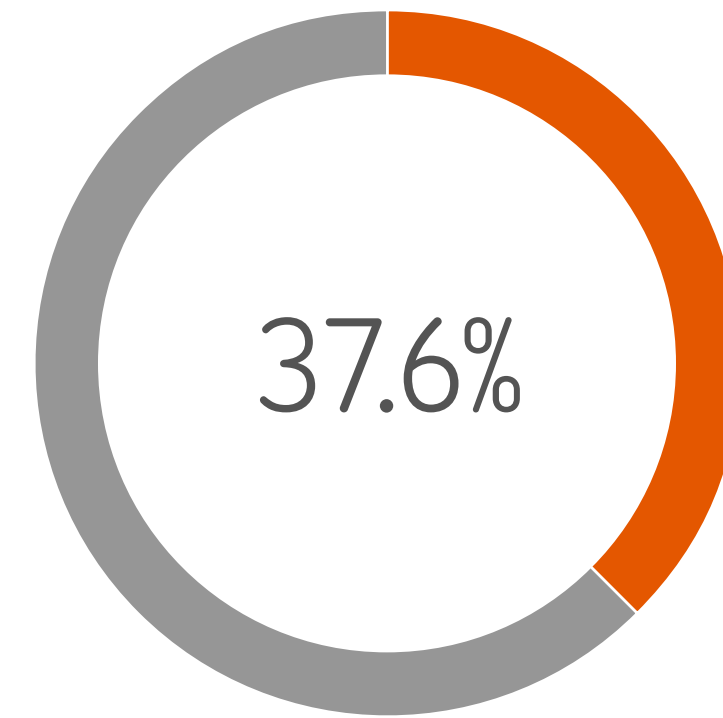
63.9 € billion

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

Market shares: Bank of Finland, Finance Finland.

Corporate Banking

Market share in corporate loans



Earnings before tax

416 € million

Loan portfolio

27.8 € billion

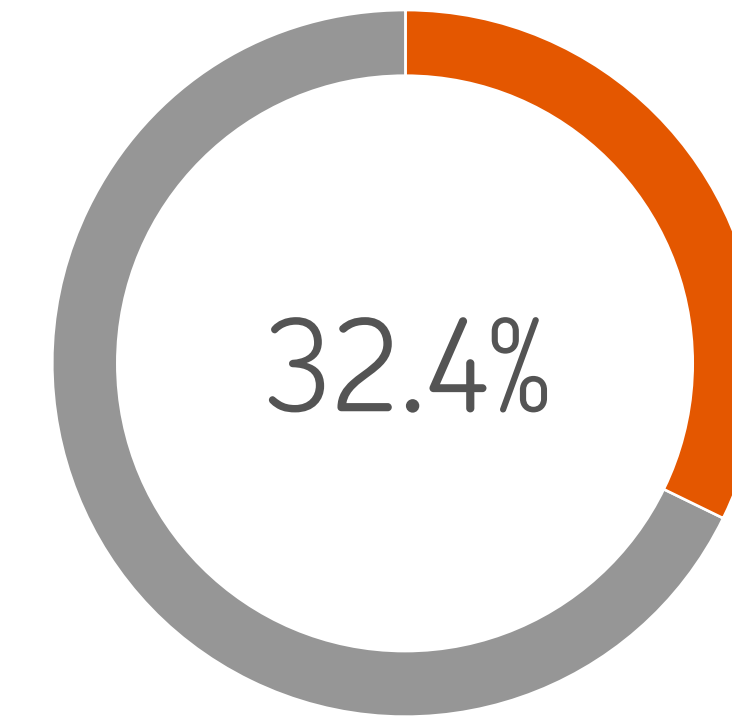
Assets under management

72.3 € billion

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

Insurance

Market share in non-life insurance



Earnings before tax

433 € million

Insurance premium revenue

1,598 € million

Unit-linked insurance assets

11.6 € billion

- The Insurance segment comprises Pohjola Insurance and OP Life Assurance Company.*
- Pohjola Insurance aims to ensure that our customers have versatile and comprehensive insurance cover. We work as a risk management partner, helping our customers to manage and anticipate risks.
- OP Life Assurance Company provides life insurance services, services for saving through insurance, and pension solutions for businesses. Its mission is to prompt and help customers to prepare for their own and their families' future.

*Pohjola Hospital became part of Pihlajalinna on 1 February 2022.

Highlights 2022



Extra OP bonuses for OP cooperative banks' owner-customers

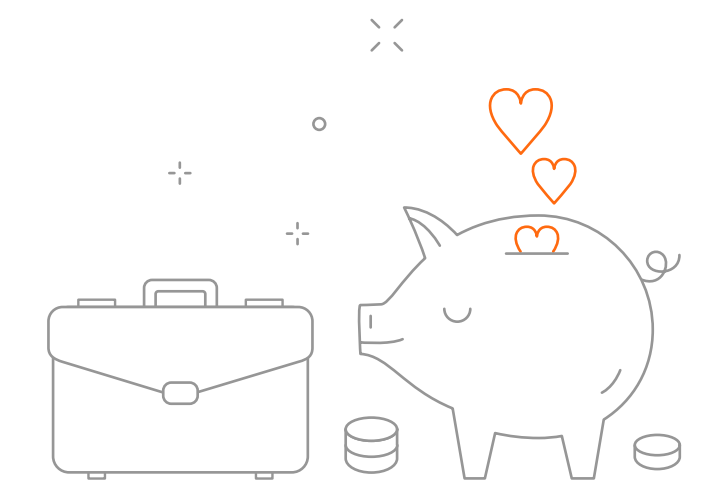
In 2022, the business environment was challenging. The economic outlook is exceptionally uncertain, and the Finnish economy is expected to slow down markedly. OP Financial Group is a financial services group owned by its customers. In 2023, OP Financial Group wants to allocate part of its 2022 profitability improvement to support the daily lives of its almost 2.1 million owner-customers, by increasing their OP bonuses by 30%. On an annual basis, this means additional bonuses estimated to be worth more than 60 million euros for owner-customers.

[Read more >](#)

OP's customers' interest in saving and investment continued

Despite the uncertain business environment, OP mutual funds attracted 55,700 new unitholders, which accounted for 51% of total market growth. Almost 80% of the new unitholders selected responsible mutual funds. In share trading, the number of executed orders was at the level of 2021.

[Read more >](#)



OP mutual funds attracted over

55,000

new unitholders in 2022

OP Financial Group's new sustainability programme

OP Financial Group plays an active role in enabling society to make the sustainability transition and promoting a greener, more sustainable tomorrow in the financial sector. OP Financial Group aims to be a sustainability forerunner in the financial sector. The new sustainability programme is built around three sustainability themes that guide the operations, future and impact of OP Financial Group. Based on our new sustainability programme, we will, for example, significantly decrease emissions across our loan and investment portfolios, promote diversity in our operations and further improve the sustainability competencies of our personnel.

[Read more >](#)

OP boosts the green transition

OP Financial Group and the European Investment Fund agreed on new risk sharing guarantee facilities in December 2022. The guarantee facilities promote the green transition and companies' innovation activities and bring additional financing of approximately EUR 200 million to the market. The guarantee facilities help SMEs obtain financing for investments that accelerate the green transition and enable them to implement projects with lower collateral requirements. The different guarantee facility solutions will be available at OP cooperative banks in the early spring of 2023. In early 2022, OP Corporate Bank plc issued a green bond worth EUR 500 million in accordance with its updated Green Bond Framework. Proceeds raised through this bond are also used to promote sustainable corporate finance.

[Read more >](#)

Housing market cooled down amidst a challenging business environment

The first half of the year was fairly good in the housing market, but the challenging business environment in the second half saw both home sales and borrowing activity slowing from the previous year, falling close to their pre-pandemic level. In addition, housing costs clearly started to rise towards the end of the year as a result of higher energy prices and interest rates.

[Read more >](#)

Retail Banking

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

OP Financial Group is Finland's leading provider of home and corporate loans. We aim to provide the best customer experience in the sector, both locally and digitally, and to be a financial partner for owner-customers in any situation. Seeking financial prosperity for our owner-customers, we promote their personal financial management and success.

Services for personal customers include daily banking, loans, savings and investments and housing-related services. We provide personal customer service through digital channels, by phone and from our comprehensive branch network across Finland.

Residential lending partner

OP Financial Group plays a visible role at all stages of residential lending. In 2022, this was particularly reflected in strong growth in renovation loans for housing companies.

A sharp rise in interest rates, higher heating costs and rising inflation began to slow down home sales in the autumn. The number of home loan applications fell sharply, particularly with respect to

buy-to-let homes. At present, OP Financial Group has around 450,000 home loan customers. In euro terms, the volume of new home loans fell by 18% compared to 2021.

The outbreak of war in Ukraine in February 2022 briefly increased demand for interest rate protection for home loans. At the end of 2022, about a third of home loans of OP Financial Group customers were covered by interest rate protection, while the interest expenses of around 100,000 customers were being cut by an interest rate cap. The number of repayment holidays and other changes in repayment plans remained moderate.

OP Koti real estate agents brokered approximately 11,000 home sales, down by roughly 18% from 2021. Furthermore, OP Koti provided building management services to some 3,500 housing companies.

Towards an increasingly wealthy Finland

Despite the challenging investment environment, people in Finland continued to invest regularly in mutual funds. In 2022, OP's customers signed almost 108,000 monthly investment plans. The number

of open, active plans was on average 465,000 per month. The number of monthly investment plans grew by approximately 12% from a year earlier.

In 2022, OP funds attracted more than 55,000 new unitholders. We passed the milestone of 1.2 million unitholders in August. Around 80% of all new unitholders invested in responsible investment funds. Since June, we have been providing equity analyses in Finnish, covering over 100 international companies, for clients interested in international stocks. We are the first bank to provide such a service in Finland.

Services for personal money management

Card use showed strong growth in 2022, as evidenced by higher sales of Gold and Duo cards, among others. We introduced Google Pay to our customers, in addition to the previously launched Apple Pay. The war in Ukraine and the resulting uncertainty caused a slight increase in the use of cash.

A digital mindset is an important part of our activities. An increasing number of our owner-customers use OP-mobile as their main channel for daily transactions. Now it is even possible to become an owner-customer digitally. At the end of the year, OP-mobile had nearly 1.4 million active users, with a total of 514 million logins to the service in 2022.

During the year, we arranged digital guidance events for older people and others in need of special support in our branches and via digital channels.

SMEs continued to actively manage their banking on OP's mobile channels, with almost 93,000 active users at the end of 2022. There was a total of 27 million logins to OP Business mobile during the year. In November, we revised the ['Financial coaching for entrepreneurs'](#) content package in the op.fi service, which we have developed together with entrepreneurs. This content package attracted over 30,000 visits in 2022.



541

million logins to OP-mobile and OP Business mobile in 2022

Corporate Banking

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

With long-term cooperation, we promote the success, growth and internalisation of our corporate customers, and foster sustainable economies in cooperation with customers. Finland, Estonia, Latvia and Lithuania form our home market.

OP Corporate Bank is an everyday partner for corporations and institutions

Our services include financing, interest rate and currency hedging, payment services, management of cash flows and working capital, and asset management. We tailor our solutions to customers' needs and continuously improve our offering in various service channels to provide the best possible customer experience. In 2022, customer satisfaction with OP Corporate Bank was excellent (NPS 94, range -100 – +100).

We provide corporate financing from our balance sheet and from the capital markets. Our versatile range of capital market services enables all customer groups to hedge against market risks and trade in financial markets. Our working capital solutions streamline purchasing and sales, helping

our customers to succeed in their liquidity and asset and liability management. We create options for the financing of consumers and companies in Finland and abroad, and provide solutions for online purchasing and payment. Our account and limit solutions promote effective management of cash flows.

We provide corporate and institutional customers with asset management services ranging from discretionary portfolio management to advisory asset management. Our services also include advanced risk reporting and portfolio analysis, and solutions for companies' liquidity management.

We also provide solutions for the international needs of corporate customers. In the spring of 2022, we were the first bank in Finland to launch a [service](#) used by companies to track their international payments and related costs in real time. Corporate customers can also make payments from accounts with other European as well as Finnish banks.

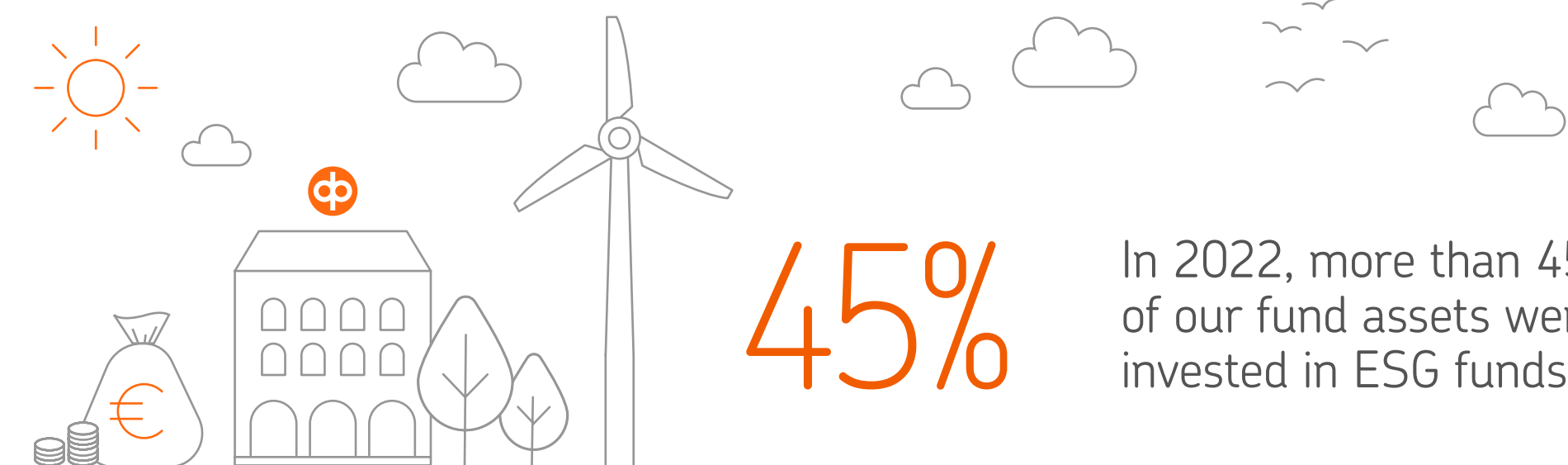
We help our customers to prepare for the impacts of climate change

OP Corporate Bank is the leading provider of corporate loans in Finland. We take this responsibility seriously, helping businesses to make the transition to a climate-friendly economy. As an enabler of the green transition among companies, we provide diverse products for responsible investment and green finance.

Due to the energy crisis caused by Russia's attack on Ukraine, companies have increasingly incorporated green transition in their operations. In 2022, the commitment portfolio in sustainable corporate finance grew by roughly 70% from the previous year, reaching a total of EUR 5.2 billion.

In January 2022, we issued a green bond worth EUR 500 million in accordance with our updated Green Bond Framework. Eligible sectors to be funded include renewable energy, green buildings and environmentally sustainable management of living natural resources.

We have integrated responsibility into the investment decision-making process of our funds. In 2022, more than 45% of our fund assets were invested in ESG funds. 34 of these funds comply with Article 8 and funds with Article 9; the number of such funds continues to grow. Active ownership is integral to our responsible investment measures. We continue to develop our engagement with companies in which we have holdings, in order to push them even harder towards achieving our carbon neutrality goals.



Insurance

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

Pohjola Insurance is Finland’s leading non-life insurer with a market share of 32.4% (2021). It provides a wide range of non-life insurance services for personal, corporate and institutional customers.

OP Life Assurance Company provides life insurance services, services for saving through insurance, and pension solutions for businesses. In terms of insurance assets, OP Life Assurance Company Ltd was Finland’s second largest life insurance company, with a market share of 27.6% in 2022.

Pohjola Insurance focuses on its core business in line with its strategy, and sold all shares of Pohjola Hospital. The sale was finalised on 1 February 2022.

Pohjola Insurance helps to prevent losses and pays compensation if loss occurs

Pohjola Insurance wants to be a risk management partner for both personal and corporate customers. We assess their potential risks, help them to prevent losses, and ensure a smooth and efficient claims settlement process. We provide insurance solutions that meet customers’ needs.

In 2022, Pohjola Insurance paid 1,012 million euros in insurance compensation. We paid compensation in around 94% of all reported cases of loss or damage. During the year, the claims trend regained its pre-pandemic level in all categories of insurance claims. 2022 was an exceptional year, particularly as regards the number of large claims, which was higher than usual.

Pohjola Insurance has claims services partnership agreements with firms representing over 20 sectors. With these partnerships, we can ensure a high-quality customer experience and claims services that are nearby for customers and cost-efficient.

In 2022, we focused on ensuring a smoothly running service and customer experience in our operations. At the end of the year, the NPS for customer contacts was 62. We are making our services even more flexible, faster and easier to understand through the non-life insurance core system reform, whose first stage we successfully completed in 2022.

Responsibility is a key strategic success factor that lies at the heart of our business – both our insurance and investment operations. On 1 January

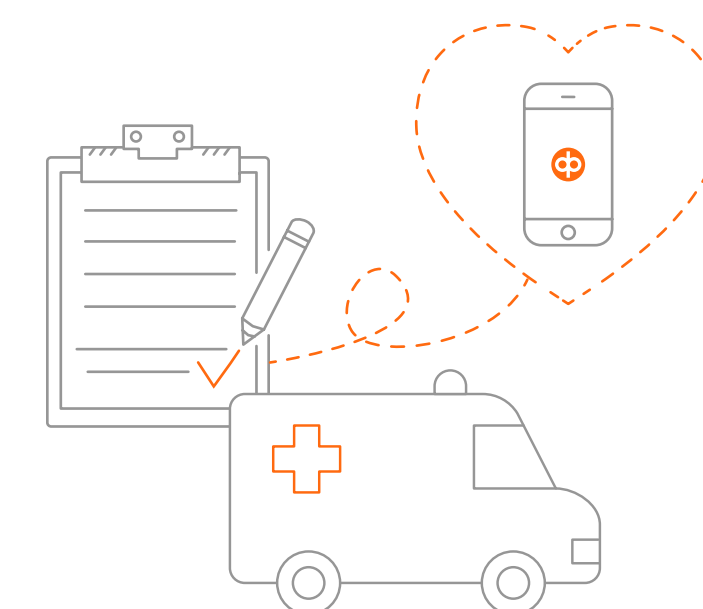
2022, Pohjola Insurance committed itself to the UN Principles of Sustainable Insurance. In early 2022, we also joined forces with the Children and Youth Foundation in order to enhance children and young people’s confidence in the future. We also support OmaKamu volunteer activities and provide sports and exercise clubs with the Sports Advisor service.

At OP Life Assurance Company, we help people to build their wealth and prepare for severe personnel risks

OP Life Assurance Company provides insurance services related to term life insurance, savings and investment for both personal and corporate customers. We also provide solutions for remunerating employees and strengthening their commitment. OP Life Assurance Company’s strategic aim is to

achieve strong growth in all product lines. The labour market is characterised by employers in various fields competing to attract professionals, and an uncertain business environment. This is particularly reflected in higher demand for group pension insurance solutions and term life insurance policies for corporate customers.

At the beginning of 2022, we revised our organisation and hired more specialists for our customer service and product development functions. We also established a team for the development of data capabilities and incorporated responsibility in our strategy. We emphasise clarity in all customer contacts. We have significantly increased the proportion of sustainable funds in the investment options we provide to customers and made it easier for persons with minor mental disorders to get term life insurance.



1,012 Claims paid by Pohjola Insurance in 2022, million euros

94% of reported claims were compensated

Sustainability

Responsibility is one of OP Financial Group's core values and the foundation of everything we do. In this section, we will describe our sustainability and corporate responsibility work and the implementation of our sustainability programme. We will also provide the related indicators based on the GRI Standards.



OP Financial Group's sustainability programme

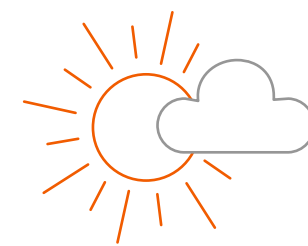
We want to be a responsible pioneer in the financial sector, in line with our strategy and values. Our sustainability and corporate responsibility work is guided by our sustainability programme, which was updated in August 2022.

The sustainability programme and its goals have been updated to match the rapidly developing business environment, stakeholders' higher expectations and stricter regulatory requirements. OP's new sustainability programme and its policy priorities implement OP Financial Group's strategy, guiding our sustainability and corporate responsibility actions.

To carry out the update, we used feedback received from different sources and stakeholders, such as various customer surveys, discussions with our stakeholders, questionnaires directed at our employees and at experts, the ESG survey directed at our owner-customers, and external assessments.

Our background work has helped us determine sustainability themes suited and relevant to OP Financial Group. In our new sustainability

We will build a sustainable tomorrow together



Climate and the environment

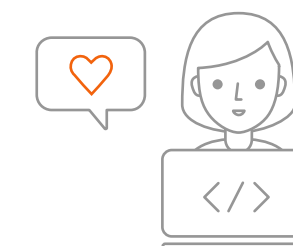
We will offer sustainable financing and investment products to our customers

We will decrease emissions across our loan and investment portfolios

We will become carbon neutral by 2025

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

We will promote biodiversity and the wellbeing of nature



People and communities

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

We will promote the wellbeing of our local communities

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

We will help customers with special needs to manage their finances

We will identify the impact of our operations on human rights



Corporate governance

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

We will use data and artificial intelligence responsibly

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

We will increase diversity in our governing bodies

We will further improve the sustainability competencies of our personnel

programme, we have preserved the objectives at the core of our operations and updated them to match today's business environment. In addition, we have created new objectives on the basis of careful analysis and feedback from stakeholders and indicators to monitor the progress of these objectives.

The updated sustainability programme covers three areas: climate and the environment, people and communities, and corporate governance. The new structure is in line with the ESG model and extensively covers different areas of sustainability and corporate responsibility. Each area includes five sub-themes we will promote in OP Financial Group's sustainability and corporate responsibility work.

> Climate and the environment

We want our operations to have a positive effect on the climate and our environment. The objectives we have selected for the area of Climate and the environment are related to sustainable financing and investment products, sustainable insurance operations, decreasing our emissions and our customers' emissions, circular economy and biodiversity.

> People and communities

Social responsibility and the wellbeing of local communities are at the heart of everything we do. The area of people and communities includes objectives related to promoting the diversity of our personnel, the wellbeing of local communities, promoting financial and digital skills and respecting human rights.

> Corporate governance

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

OP's sustainability programme supports the UN Sustainable Development Goals

Indicators have been developed to measure the progress of each goal. In addition, the programme's objectives are linked to the UN Sustainable Development Goals (SDGs) and subgoals. The indicators and the UN Sustainable Development Goals are available on [OP's website](#).








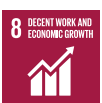


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The updated sustainability programme covers three areas: climate and the environment, people and communities, and corporate governance.

Implementation of OP Financial Group's sustainability programme in 2022

SDGs	Subgoal	Goal	Indicator	2022	2021
Climate and the environment					
	13.1	We will offer sustainable financing and investment products to our customers	Our product range will cover sustainable financing and investment products <ul style="list-style-type: none"> - Goal: Sustainable financing products will account for at least 8 billion euros of total commitments by the end of 2025 - Goal: Sustainable funds will account for 60% of fund assets by the end of 2025 	5.2 45.6%	3.0 26.3%
	13.2	We will decrease emissions across our loan and investment portfolios	OP Corporate Bank is committed to ensuring that its corporate loan portfolios are carbon neutral by 2050. A corresponding goal has been set for OP cooperative banks' corporate loans. OP Asset Management and OP Fund Management Company are committed to ensuring that the funds they manage are carbon neutral by 2050. <ul style="list-style-type: none"> - Goal: OP Financial Group will cut 25% of its corporate loan portfolio emissions by 2030 compared to 2022 - Goal: OP funds will halve their greenhouse gas emission intensity by 2030 compared to 2019 - Besides various sustainable investment and financing products, the range of tools includes investment decisions promoting the achievement of our goals and active dialogue with our clients and investees - We require that large companies subject to high climate transition risk prepare company-specific emission reduction plans by the end of 2025 	6 million CO ₂ e-tons*	12 million CO ₂ e-tons
	12.2 12.5 13.3	We will promote the circular economy in our business and that of our customers	We will promote digital payment methods and replace the payment cards we issue with ones made from recycled plastic <ul style="list-style-type: none"> - Goal: In 2026, 100% of payment cards issued by OP will have been replaced with ones made from recycled plastic as part of the normal card replacement cycle We will promote the circular economy as part of our business <ul style="list-style-type: none"> - Goal: We will finance projects related to the circular economy as part of sustainable finance and maintain active dialogue with our investees. We will identify actions promoting the circular economy in our insurance business.	50% of OP Duo cards made from recycled plastic	-
	7.2 13.2	We will become carbon neutral by 2025	OP will become carbon neutral in its operational emissions by 2025 <ul style="list-style-type: none"> - Goal: Net zero emissions for scope 1 and 2 by the end of 2025 	7,156 CO ₂ e-tons	25,485 CO ₂ e-tons
	14.1 15.5	We will promote biodiversity and the wellbeing of nature	We will identify any negative impacts our operations have on biodiversity and take measures to reduce biodiversity loss <ul style="list-style-type: none"> - Goal: We will prepare a biodiversity review in 2022 and a biodiversity action plan in 2023 We will enhance the sustainability of Finnish agriculture in terms of its profitability and environmental friendliness <ul style="list-style-type: none"> - Goal: We will develop the competencies of specialists working with agricultural customers and improve the knowledge of farmers by entering training partnerships. We will launch the related measures in 2023. 	Biodiversity assessment performed in 2022	-

* Calculation method changed in August 2022 due to the adoption of the new sustainability programme.

SDGs	Subgoal	Goal	Indicator	2022	2021
People and communities					
 	5.5 8.8	We will foster a diverse, inclusive and non-discriminatory culture	<p>We will foster a diverse competence base in our business units</p> <ul style="list-style-type: none"> - Goal: At least 40% representation of each gender in executive positions by 2025 - Goal: Employee experience of management's commitment to the promotion of diversity, inclusion and non-discrimination; personnel survey 2025: >4.0 (scale 1–5) <p>Employees view recruitments and career transitions as fair, incentivising them towards continuous development</p> <ul style="list-style-type: none"> - Goal: Employee experience of diversity and non-discrimination in career transition and recruitment; personnel survey 2025: >4.0 (scale 1–5) - Goal: Trend in feedback from job applicants 	31% 3.95 3.8 Revision of feedback survey for job applicants 2023	30% - - -
 	8.5 10.2	We will promote the wellbeing of our local communities	<p>We will enhance the wellbeing of children and youths, their confidence in the future, and support the employment of young people</p> <ul style="list-style-type: none"> - Goal: Number of children and youths reached through leisure activities sponsored by OP; 200,000 persons per year - Goal: Summer jobs for young persons paid for by OP; 2,000 summer jobs per year 	Reporting as of 2023* 2,000	304,000* 1,600
 	4.4 8.3	We will support the management of personal finances and improve financial literacy	<p>We will improve financial literacy to give everyone equal opportunities to manage their finances</p> <ul style="list-style-type: none"> - Goal: Number of children and youths reached through financial literacy training events and projects organised by OP cooperative banks and partners, 70,000 persons per year 	90,000	39,000
	10.2	We will help customers with special needs to manage their finances	<p>We will help customers with special needs in their independent, multichannel and easy use of banking and insurance services and promote their digital skills</p> <ul style="list-style-type: none"> - Goal: Customers reached in training events on digital skills, 20,000 persons per year 	12,000	8,400
	10.2	We will identify the impact of our operations on human rights	<p>We will carry out a self-assessment of the human rights impacts of our operations based on which we will draw up a human rights policy to improve our operations</p> <ul style="list-style-type: none"> - Goal: Creating a human rights policy and an action plan addressing our key impacts based on the self-assessment by the end of 2023 	Human rights survey launched in 2022	-

* Calculation method changed in August 2022 due to the adoption of the new sustainability programme.

SDGs	Subgoal	Goal	Indicator	2022	2021
Corporate governance					
	13.1 13.3	We will integrate sustainability with all our business operations and risk-taking	<p>We will guide our customers in preparing for and adapting to the various effects of climate change and the related risks. We will monitor developments in the regulation of sustainable finance and the EU taxonomy, because they will change our business environment and the basis of our success.</p> <ul style="list-style-type: none"> - Goal: We will use scenario work to assess the impact of climate and environmental change on the success of our customers and OP Financial Group - Goal: Our sustainability reporting is reliable and easy to understand - Goal: We will comply fully with regulatory requirements related to anti-money laundering and sanctions - Goal: We will link ESG factors to OP Financial Group's risk reporting by the end of 2023 	All our operations comply with regulations, and we comply fully with regulatory requirements related to anti-money laundering and sanctions	-
	16.6	We will use data and artificial intelligence responsibly	We will annually report on the responsible use of data capital at OP Financial Group	Data Balance Sheet 2022	Data Balance Sheet 2021
	8.5 8.8 12.2	We will require our partners to commit to our Supplier Code of Conduct	<p>We will increase the number of suppliers committed to our Supplier Code of Conduct</p> <ul style="list-style-type: none"> - Goal: 100% of contract suppliers in OP's supply chains will commit to our Supplier Code of Conduct by 2025 	87%*	-
	5.5 16.6	We will increase diversity in our governing bodies	<p>We will ensure diverse membership of supervisory councils and boards of directors in OP cooperative banks and the central cooperative to help OP Financial Group succeed</p> <ul style="list-style-type: none"> - Goal: The Group-level gender balance of supervisory councils and boards of directors of OP cooperative banks and the central cooperative will be at least 40–60% by 2025 	Percentage of women: Board of Directors 44%, Supervisory Council 48%	Percentage of women: Board of Directors 43%, Supervisory Council 46%
	4.7	We will further improve the sustainability competencies of our personnel	<ul style="list-style-type: none"> - We will further improve the sustainability competencies of our personnel and governing body members by offering ESG training - Goal: We will increase our training offering to various target groups <p>- Goal: OP Financial Group's personnel will complete training on the sustainability programme during 2023</p>	<p>ESG training opportunities were increased in 2022</p> <p>2,820 persons completed the training on the sustainability programme</p>	-

* In terms of purchase costs

Climate and the environment

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

Towards a more sustainable future together with our customers

The financial sector has a key role in the fight against climate change particularly in financing and investment operations, but also as part of sustainable insurance and indemnification. We want our operations to have a positive effect on the climate and our environment and enable a change towards a more sustainable future together with our customers. We support our customers' preparation for the effects of climate change and their shift towards low-carbon operations. We offer our customers green loans tailor-made for projects beneficial to the climate and the environment.

TCFD-referenced climate disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) has drawn up recommendations on how companies report on the economic impacts of climate change on their business.

Identifying and analysing drivers of change in the business environment forms part of the risk identification procedure. In the continuous risk identification process, Risk Management and representatives of internal stakeholders assess any risks that might have a direct impact on OP Financial Group's business activities in the short term and the business environment in the longer term.

> Management

The Board of Directors of OP Cooperative monitors the impact of climate and environmental factors, as well as other risk factors, on our risk exposure. All business units and centres of excellence integrate perspectives related to climate and environmental risks in OP Financial Group's functions and processes. Such integration is supported by Risk Management and the Group ESG and Corporate Responsibility units.

The Board of Directors supervises the management of climate and environmental matters by determining OP Financial Group's strategic priorities

and indicators and policies subject to monitoring, including those related to climate and environmental risks. In addition, the Board of Directors regularly processes ESG matters, that is to say, matters related to climate and the environment, people and communities, as well as corporate governance.

OP Financial Group has an ESG Committee appointed by the Executive Management Team and tasked with supporting the management of ESG and other sustainability and corporate responsibility matters. The ESG Committee monitors, controls and reports on the implementation of the sustainability programme, prepares Group-level policy priorities and monitors sustainability and corporate responsibility regulation. In addition, the ESG Committee ensures the high-quality implementation of ESG matters in compliance with regulation, orders issued by the authorities, decisions and principles approved by the Executive Management Team, Board of Directors and Supervisory Council, and the expectations of customers and other stakeholders.

> Strategy

Responsible business is one of OP Financial Group's strategic priorities. We take account of sustainable development and climate and environmental factors in everything we do. As a financier, insurer, investor and developer of services and products, we support

Relevant policies and commitments – Climate and the environment

- Partnership for Carbon Accounting Financials (PCAF)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Carbon Disclosure Project (CDP): OP Financial Group's climate actions scored B in CDP's international climate impact assessment in 2022
- WWF Green Office

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

our customers and other stakeholders in the sustainability transition of their business operations or other functions. We work with our customers to enable a more sustainable future.

We leverage the opportunities provided by climate and environmental perspectives in the development of our financing, investment and insurance products. The demand for sustainable corporate finance at OP was at a record high level in 2022. Wind power and forest projects were especially prominent in

Green bonds

OP Green Bond
(issued in 2019)

€ 500 million

Green Covered Bond
(issued in 2021)

€ 700 million

Senior non-preferred Green Bond
(issued in 2022)

€ 500 million

Green finance

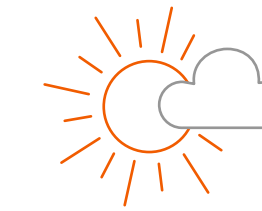
Green loans, sustainability-linked loans
and credit limits

€ 5.2 billion

the financing of sustainable activities. Interest in sustainability-themed bonds is also on the rise. Green and sustainability-linked loans granted by OP Corporate Bank totalled EUR 5.2 billion at the end of 2022. OP Financial Group has issued three green bonds: OP Corporate Bank's EUR 500 million green bond and the EUR 500 million senior non-preferred green bond issued in January 2022, as well as the EUR 700 million green covered bond issued by OP Mortgage Bank.

> Risk management

From the perspective of risk management, the knock-on effects of climate and environment related changes in the business manifest the changes as financial risks to banking and insurance operations. External change drivers may provide opportunities, but they can also jeopardise operating conditions in some industries. For example, the spread of plant diseases or pests as well as animal diseases can be an impediment to agriculture. In some sectors, climate change can weaken profitability due to changes in customer behaviour, lower collateral values in some areas and a higher than predicted growth in regulation-related costs. In credit institutions, the abovementioned factors affect, either directly or indirectly, risks such as credit, liquidity, market, reputational and operational risks. The Risk Committee of the Board of Directors oversees risk management, including that related to climate and environmental factors.



Climate and the environment
Sustainability programme goals

- We will offer sustainable financing and investment products to our customers
- We will decrease emissions across our loan and investment portfolios
- We will become carbon neutral by 2025
- We will promote the circular economy in our business and that of our customers
- We will promote biodiversity and the wellbeing of nature

Climate and environmental risk factors can be divided into physical risks and transition risks. Physical risks include risks arising from extreme weather phenomena, such as floods and heatwaves or environmental risk factors related to the scarcity or contamination of natural resources, for example. Transition risks arise from regulations, changes in customer behaviour or the adoption of new technology.

The sector to which financing is provided or investment made affects credit risk. Physical risks may affect the value of real property and collateral, for example. The transition to a low-carbon economy may affect the value of assets that are dependent on energy inefficient or fossil fuels, for example.

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

Extreme weather phenomena may cause physical damage and operational risks in our business locations. Failure to fulfil the expectations of stakeholders may cause reputational damage. In its investments, OP Financial Group manages the impacts of short-term and long-term climate risk factors by screening and excluding coal-dependent mining and electricity companies from its active and direct investments. We also keep a close eye on



demand for other fossil fuels, and take the associated risks into account in our investment decisions. Tracking companies' climate performance is an integral part of portfolio management at OP Asset Management. Our portfolio managers and ESG Specialists have access to company-specific ESG analyses by independent service providers, which also explain the most important climate change risks and opportunities of each company.

> Targets and indicators

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

The Group's medium-term (1–5 years) goal is to be carbon neutral in its operations by 2025. The results of the biodiversity assessment carried out in 2022 will be taken into account in the biodiversity road map of 2023.

As our long-term goal (beyond 5 years), OP Corporate Bank is committed to becoming carbon neutral in its corporate loan portfolios, and OP Asset Management and OP Fund Management Company in their managed funds, by 2050. OP Financial Group will cut 25% of its corporate loan portfolio emissions by 2030 compared to 2022. Our goal is to make the insurance companies' investments carbon neutral by 2050 and halve the carbon intensity of investments by 2030 in comparison to 2019.

In line with the UNEP FI Principles for Responsible Banking, OP Financial Group is committed to aligning its loan portfolio with the Paris Agreement. We will reduce emissions from our loan portfolios in accordance with the PCAF calculation method. Sector-specific emissions in our exposures portfolio are presented on page [54](#).

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

In asset management, we are committed to the stepwise tightening of our coal-exclusion policy, so that direct and active investments exclude business related to coal mining or coal power generation by the end of 2030. Active ownership is integral to our responsible investment operations. By 2025, OP Asset Management's climate-related shareholder engagement will aim to cover 70% of financed emissions, as measured by direct equity and fixed income investments by OP funds in high climate risk sectors. In practice, we will influence companies in general meetings, by direct dialogue or by joint initiatives. In 2022, mutual funds managed by OP Fund Management Company voted in a total of 1,344 general meetings in Finland and abroad. The votes included 132 proposals related to the environment, 240 proposals related to social issues

such as human rights, employee wellbeing, diversity or product safety, and 47 proposals related to other sustainability and corporate responsibility themes.

OP Fund Management Company publishes carbon footprint calculations for its managed equity and fixed income funds twice a year, and fund-specific ESG analyses for the majority of such funds four times a year. These analyses show not only the overall sustainability and corporate responsibility score for the whole portfolio but also the percentage of the portfolio companies' net sales attributable to renewable energy, energy efficiency and green buildings.

During 2022, we continued active dialogue with our partners and ensured that sustainability is embedded in our supply chains. All our partners have approved our Supplier Code of Conduct. We will increase the share of the circular economy in insurance claims, such as in vehicle repair. In 2023, we will continue to determine ESG indicators with our partners.

In July 2022, OP Financial Group joined the international Partnership for Carbon Accounting Financials (PCAF), which aims to develop and implement a harmonised approach to assessing and disclosing greenhouse gas emissions associated with partners' loans and investments. A harmonised accounting approach will provide financial institutions with a basis for achieving the goals of the Paris Agreement. Comparable climate emissions data is important to the development of sustainable investment products and credit risk management, among other things.

Following the new calculation method, the emissions are focused more accurately based on the fund use targets we invest in. The information we use for the emission calculation methods is also more comparable and precise than before. In addition, OP has decided to base its emission-reduction goals on the results of the 2022 emission calculation. Detailed descriptions on the calculation of each asset class' emission are presented on [page 54](#). More information on OP Asset Management's climate action is available in the [Climate Review](#) published in 2022.

A carbon neutral OP for 2025

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

Increasing the use of renewable energy plays a key role in reaching our goal. We are increasing renewable energy's percentage in both the electricity and district heating we purchase. For purchased electricity, we have bought Finnish wind power. We have also increased our own production of renewable energy using solar panels, and we will continue to increase our renewable energy production in the future. We are considering our opportunities to change the heating method of our fewer than ten oil-heated business locations to solutions utilising heat pumps. Renewable energy accounted for 52% (25) of OP Financial Group's total energy consumption in 2022.

Management with data plays a key role in minimising emissions. In 2022, we introduced reports for energy and environmental management, and we use these reports to monitor the energy consumption of our business locations and our emission trends. In addition, the environmental management of OP Financial Group's offices is based on the WWF Green Office system. In September 2022, we initiated an [energy saving challenge](#) with which we encouraged all our corporate and personal customers as well as partners and other firms to contemplate the possibilities to economise on energy. We also joined the national 'Down a degree' initiative. Our intention was to decrease the energy consumption of our properties by lowering their indoor temperature as well as carrying out energy efficiency measures. At the end of the year, we had saved 4.4% in our energy and heat consumption. Emissions from OP Financial Group's own operations (Scope

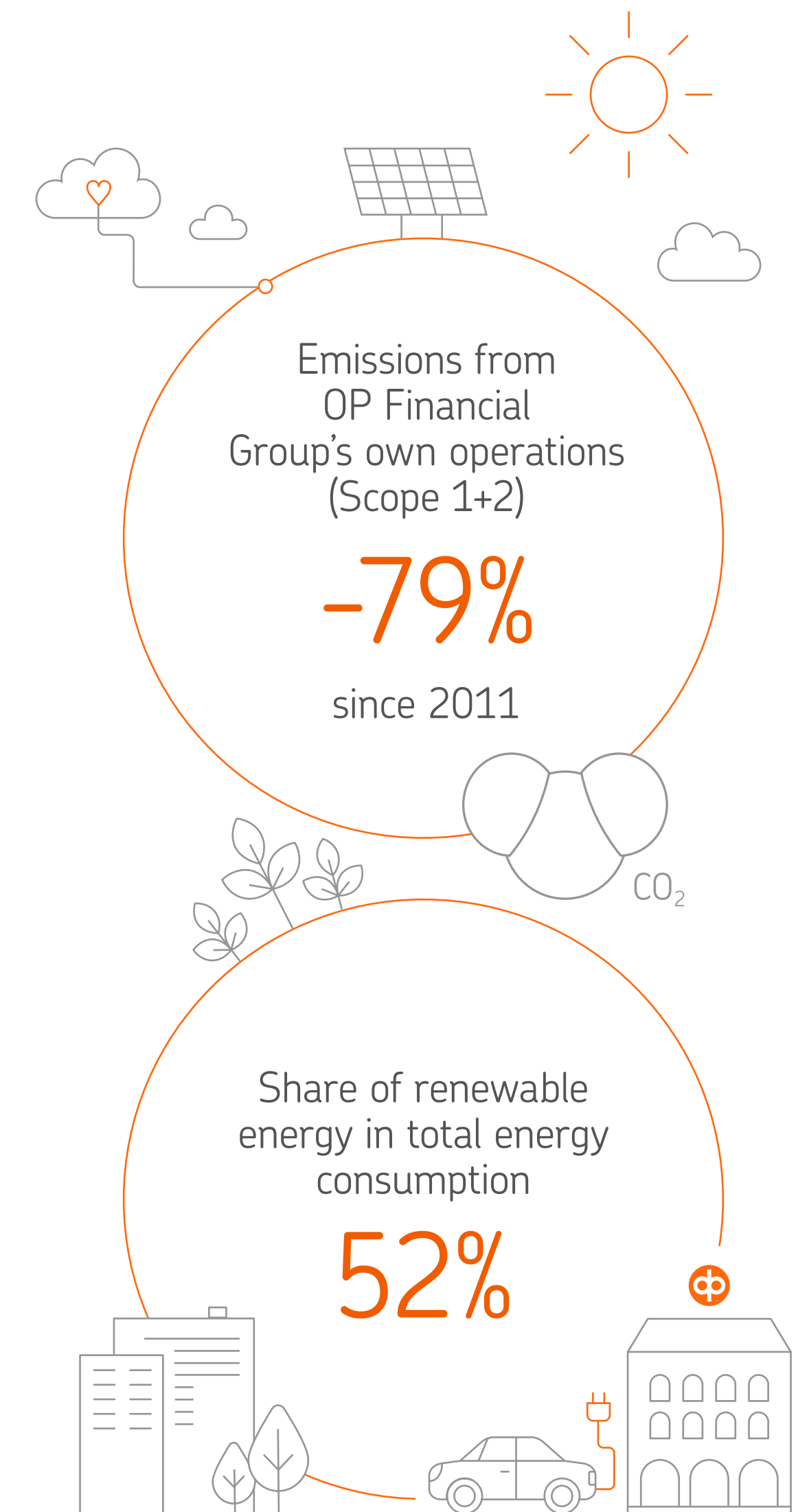
1+2) have decreased by approximately 79% (or 27,691 t CO₂e) since 2011 (2011: 34,847). In 2022, direct and indirect emissions (Scope 1+2) totalled 7,156 CO₂e tonnes (25,485). Emission reduction has been calculated using market-based emissions.

Our most significant climate impacts arise from our business operations. The Scope 3 category includes all indirect emissions resulting from the company's value chain, such as the emissions of waste management, purchase of materials and business travel. Joining the PCAF initiative will provide us with additional tools for combating climate change, both internally and alongside our customers. We measure the carbon footprint of all OP funds.

Environmental aspects in financing and insurance and their risk assessment

OP Financial Group prepares an ESG analysis of its corporate customers as part of assessing their creditworthiness. The guidelines on loan origination and monitoring issued by the European Banking Authority require credit institutions to identify their customers' exposure to risks arising from ESG factors. The credit institution should also assess the appropriateness of customers' mitigation strategies for managing these themes.

Sustainability is always a part of the corporate loan analysis for new bond issues. As part of the green transition, companies have been searching for sustainable energy solutions. In 2022, the significance of the subject was highlighted by the change





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At the end of 2022, nearly 46% of OP’s mutual funds were funds that promote ESG characteristics.

in the business environment, which will in turn speed up the development of increasingly sustainable energy solutions.

In the ESG analysis, we assess the companies, schemes or projects seeking financing and group them into ESG industry categories based on their exposure to ESG factors typical of their industry. The customer-specific ESG analysis process is guided by the ESG industry category, which determines the level of analysis required for new loan decisions. Climate change, biodiversity impact, circular economy, human resources, product liability and community relations are among the most common themes covered in this analysis. The purpose of the analysis is to assess how well the companies have included essential ESG themes in their business models and how these themes will affect their business operations and potential.

OP Corporate Bank has developed two products based on the international framework for sustainable finance: green loans and sustainability-linked loans. In green loans, corporate customers are committed to using the borrowed funds to promote specific

projects. In sustainability-linked loans, corporate customers are committed to sustainability goals selected together when granting the loan. These targets affect the loan margin. Our green loans and sustainability-linked loans are designed to encourage businesses to invest more in sustainability.

The proceeds raised through OP Corporate Bank’s green bonds are used to promote sustainable corporate finance. Eligible sectors to be funded include renewable energy, energy efficiency, green buildings, pollution prevention and monitoring (including sustainable water supply), sustainable land use and clean transport. The annual Green Bond Report and other documents relating to green bonds are available on OP Financial Group’s [debt investors pages](#).

Pohjola Insurance also continuously tracks the development of risks posed by climate change from the viewpoint of our existing and future insurance products. Our goal is to cover as many insurable risks as possible and to take the environment and climate risks into account in our insurance policies.

Responsible investing

We have increased the number of entity-specific ESG analyses included in our equity research. Our ESG analysis is based on individual company highlights, and in autumn 2022, it covered over 50% of the companies under equity monitoring.

At the end of 2022, nearly 46% of OP’s mutual funds were funds that promote ESG characteristics (EU regulation on sustainable finance, article 8 and 9). OP has four sustainability-themed mutual funds

(OP-Sustainable World, OP-Climate, OP-Clean Water and OP-Low-carbon World), which have seen a 291% rise in the number of unitholders over the last three years.

In addition to theme funds, responsible investment funds include index funds and the OP-Target funds available on OP-mobile. Five index funds (OP-America Index, OP-Europe Index, OP-World Index, OP-Asia Index and OP-Nordic Countries Index) track an ESG index which places greater weight on companies that integrate ESG risks better than their peers. These funds do not invest in companies that have ties to the manufacture of controversial weapons or that have violated international standards. Target funds, too, place greater weight on companies that integrate ESG risks better than their peers, and target funds avoid investments in controversial sectors. Assets under management invested through responsible investment funds totalled 13.0 billion euros (8.8) at the end of 2022. For more information on responsible investing, see OP Financial Group’s [website](#).

Active Ownership

OP Financial Group manages customers’ assets worth 98.2 billion euros (111,8). OP’s asset management policy is based on the Principles for Responsible Investment. OP is an active owner that encourages its investee companies to do business responsibly and its partners to pursue responsible investment.

OP Fund Management exercises the voting rights of the mutual funds that it manages in accordance with the ownership policy confirmed by its Board of Directors. With respect to companies listed in Finland, the Group does its best to discuss grievances directly with the companies prior to AGMs, so that, as a general rule, it will be possible to support the Board's proposal if it comes to voting. Proxy voting is used in an increasing number of cases to also exercise voting rights at the AGMs of companies listed in countries other than Finland. OP Fund Management gave voting instructions for 1,300 foreign AGMs in 2022. OP Fund Management implements its ownership policy by actively participating in the AGMs of companies listed in Finland. Its representatives attended AGMs of 44 Finnish companies during the year.

At the end of 2022, the OP funds managed by OP Asset Management held shares representing 80 (93) companies listed in Finland, of which 46% (32) were engaged by OP Asset Management to discuss environmental and corporate responsibility issues during the year.

As the investment manager for OP Life Assurance Company, OP Asset Management Ltd implements OP Life Assurance Company's shareholder engagement principles. We follow the target companies' financial performance, risks arising from operations, their capital structure in accordance with the principles. In addition, we pay attention to environmental, social and governance (ESG) issues. Portfolio managers meet representatives of companies and obtain additional information about matters such

as the company's strategy implementation, operations and essential ESG issues in meetings with the companies.

From the beginning of August 2022, we have asked our customers' sustainability preferences when giving them investment advice. Investigating sustainability preferences is part of the EU regulation on sustainable finance. All customer classes were equally interested in responsible investment funds, women slightly more than men: 52% of the subscribers were women. The majority of fund subscribers are regular investors: over 60% of subscribers have invested during at least six different months, and roughly 96% of all subscribers are owner-customers.

With the increased demand for responsible investment products, as many as 700 of our investment advisors have already completed the Aalto University Executive Education APV-ESG examination. The examination is part of the general securities (APV) qualification mandatory for all investment advisors.

Property investment

In 2022, OP Real Estate Asset Management Ltd was the fourth largest property investor in Finland, measured by the market value of its direct property investments, which amounted to around 4.2 billion euros. This included more than 6,800 rental apartments and 150 nursing and commercial properties, which OP Real Estate Asset Management managed through its funds at the end of 2022. In addition, through its funds the company held 125,000

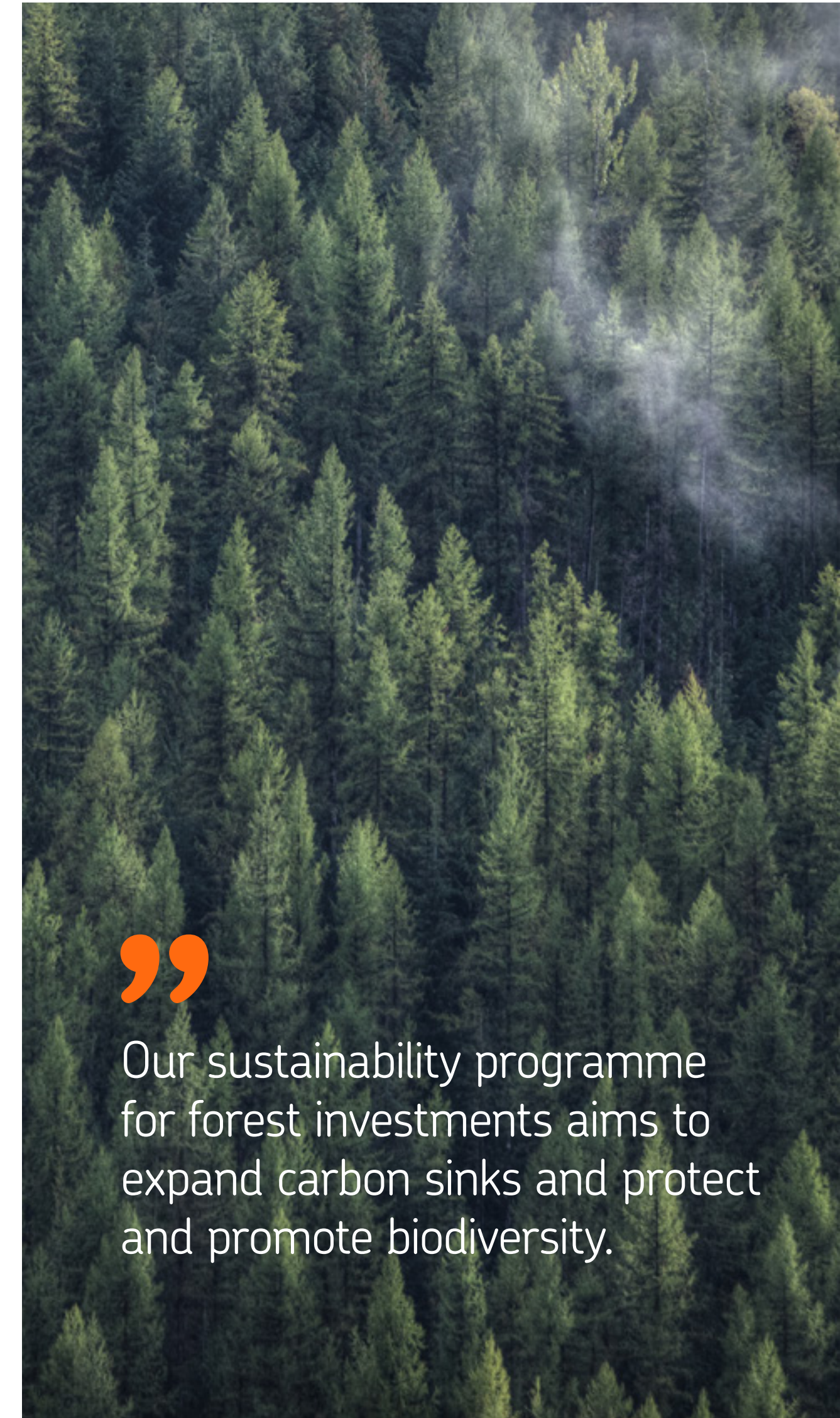
hectares of forest, 105 rented plots and 59 indirect property investments.

The consideration of sustainability and ESG factors has been integrated into all operations and investment decisions of OP Real Estate Asset Management. OP Financial Group's Principles for Responsible Real Estate Investment take account of the UN Sustainable Development Goals. In 2021, OP Real Estate Asset Management Ltd participated for the first time in the Global Real Estate Sustainability Benchmark (GRESB) reporting with two of its funds. A third fund will be included in GRESB reporting in 2023.

100% of the forests supported by the OP-Forest Owner Fund are PEFC certified (Programme for the Endorsement of Forest Certification), in addition to which around 52% are FSC certified (Forest Stewardship Council). In 2022, the OP-Forest Owner Fund was Finland's fifth largest forest owner. Our sustainability programme for forest investments aims to expand carbon sinks and protect and promote biodiversity.

OP Real Estate Asset Management Ltd is committed to promoting carbon neutrality in its property investment operations. Its sustainability targets include carbon neutral energy by 2030 and carbon neutral construction by 2050.

In 2022, OP Real Estate Asset Management's properties were equipped with a total of 40 solar farms and 38 geothermal heating plants or air-water heat pumps. Properties managed by OP Real Estate Asset Management Ltd have used renewable electricity since 2020.



” Our sustainability programme for forest investments aims to expand carbon sinks and protect and promote biodiversity.

People and communities

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

Responsible employer

OP Financial Group is committed to being a responsible actor and respecting human rights, including OECD Guidelines, employee rights and the fundamental principles and rights named in the ILO Declaration on Fundamental Principles and Rights at Work. We are committed to the UN Global Compact initiative and promote human rights, labour standards, environmental protection and anti-corruption.

One of our strategic priorities is highly skilled, motivated and satisfied personnel. Our vision is to be the leading and most appealing financial services group in Finland. Our values are people first, responsibility and succeeding together, and we find these to be still relevant today. The value descriptions updated in 2022 emphasise value to the customer, diversity of personnel, appreciating differences and viewing them as strengths, as well as new approaches and continuous learning. We believe that responsibility will become increasingly

significant in the future, which challenges us to continually assess our operations.

A changing business environment requires continuous competence development

Learning and continuous competence development are at the heart of our self-managed ways of working. Working as part of a multi-professional team, the transparency of data and systematic use of feedback for the development of operations are key principles that support continuous learning. As part of the plans and action plans for competence development, our teams make use of the 70-20-10 model, which enables them to develop their competence as a part of their daily work duties regardless of the nature of the work. In the model, 70% of the employees’ working hours consist of basic daily work, 20% of joint development of team operations and 10% is available for learning, such as the development of personal competence. In addition, the

use of internal mobility and job rotation enable the extensive sharing of information and views. Support for learning through daily work is also offered by mentoring and 25 guilds related to different areas of expertise.

We arrange learning opportunities targeted at specialists, such as OP Software Academy studies. In 2022, roughly 1,000 participants attended the Academy’s development and technology activities as either mentors or students.

The banking and insurance employees that work with customers require specialist competence which business-specific trainers maintain and develop. OP Financial Group recorded 15 training hours per employee.

Supporting employee wellbeing in a changing world

During the coronavirus pandemic, OP Financial Group took many measures to take care of the health and security of our customers and employees. Our actions ensured that the services critical to society could continue to function without interruption. Coronavirus-related practices were an established part of work safety in 2022, when we were simultaneously breaking free from restrictions in a controlled manner. Employee wellbeing support is at the heart of our operations. We monitor employee

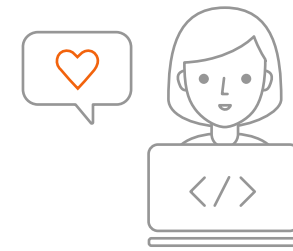
Relevant policies and commitments – People and communities

- ILO Declaration on Fundamental Principles and Rights at Work
- UN Global Compact Initiative

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

wellbeing through pulse surveys. Based on the results, we tailor and target actions supporting the wellbeing and coping at work of employees and supervisors.

We have reinforced each OP Financial Group employee’s means to assess their wellbeing and use the tools available to manage themselves and their wellbeing. In 2022, our employees used low-threshold mental health services more often than during the previous year. Psychotherapy services also became established among OP’s wellbeing support services. We found several ways to support our managers in fostering employees’ work ability and wellbeing in the changing world. We have aimed to alleviate the feeling of stress by making workloads



People and communities Sustainability programme goals

- _____
- We will foster a diverse, inclusive and non-discriminatory culture
- _____
- We will promote the wellbeing of our local communities
- _____
- We will support the management of personal finances and improve financial literacy
- _____
- We will help customers with special needs to manage their finances
- _____
- We will identify the impact of our operations on human rights

more transparent and introducing agile work organisation methods. As a result of our efforts to improve our employees' wellbeing, the end of the year saw a downward trend in the number of long and mental health related absences in the business units of OP Financial Group's central cooperative. In 2022, sickness absences accounted for 3.6% (2.7) of regular working hours. The 'health rate' (percentage of personnel with no sickness absences during the year) was 37% (54) of all personnel.

basis was that work communities and teams could choose the hybrid work methods that were suited to them. We supported community spirit by arranging face-to-face anchor meetings at our offices. The majority of the respondents of the 2022 personnel surveys felt that flexibility between work and other areas in life was well fulfilled. The respondents appreciated flexibility, the opportunity for hybrid work and autonomous work planning.

Equality and diversity at OP

OP Financial Group aims to promote diversity in their organisation. We pay attention to our personnel's diverse experiences and competences. Our goal is to have a personnel structure that reflects

Hybrid work at OP

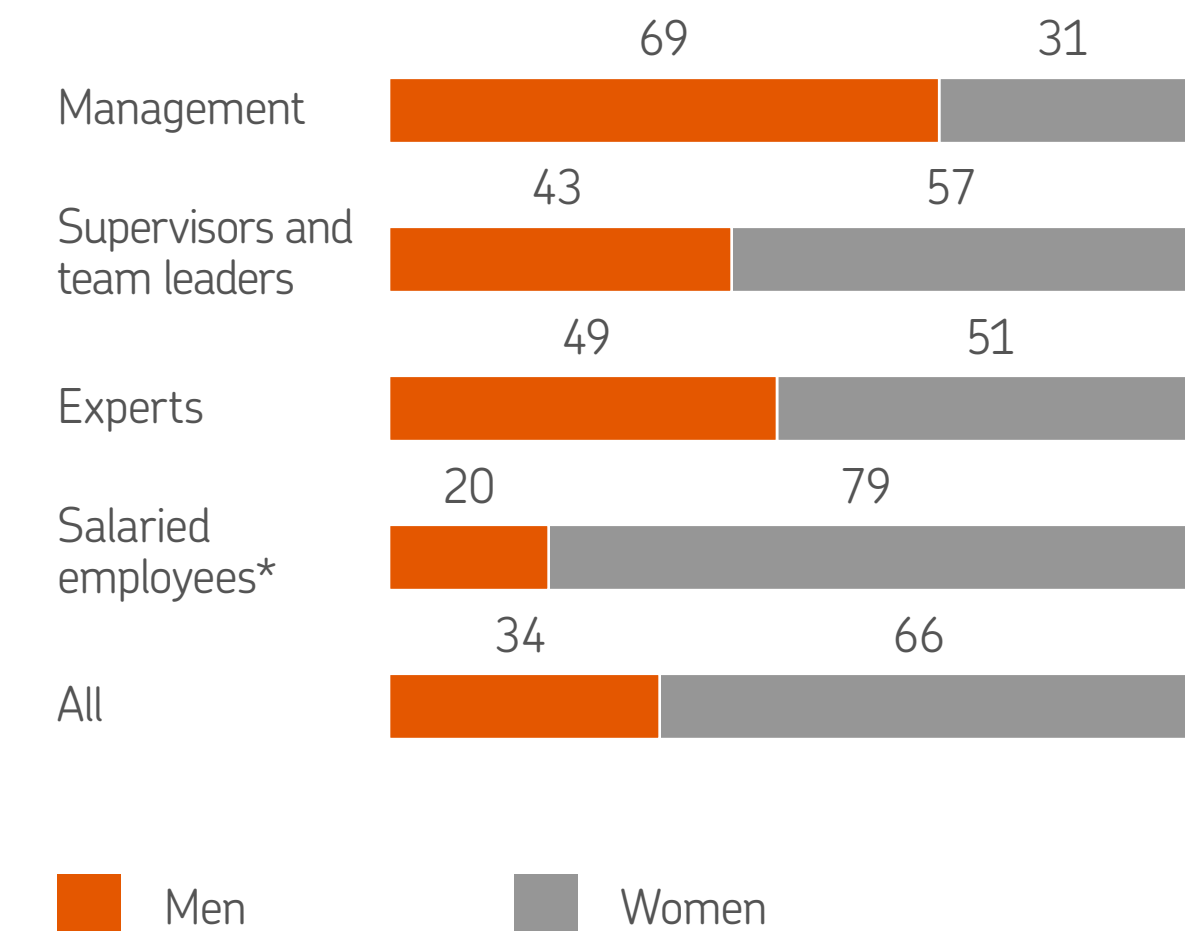
OP Financial Group's hybrid work principles guided the way the Group's work communities and teams planned and implemented hybrid work in 2022. The

the diversity of our clientele regarding age, gender, nationality and other background factors. Our corporate culture and practices are non-discriminating and diverse and promote a sense of belonging, and this is what our sustainability programme aims to reinforce. Our employees have equal opportunities and rights at all stages of the employment relationship, such as recruitment, career shifts and hiring.

We regularly monitor how well equality and diversity are realized and promoted using various personnel surveys, such as applicant experience, personnel and exit questionnaires. By paying attention to employee selection, diverse competence and experience as well as arranging training courses targeted at teams, we aim to impact the realisation of diversity. We monitor the distribution of personnel in various job categories by factors such as gender, pay and age on an annual basis. We track the number of family leaves and how these leaves are distributed, as well as how many nationalities and different native languages are represented among the employees of OP Financial Group. We aim to take accessibility better into account in our recruitment. Some business units of the OP Financial Group central cooperative already use English as their working language. We aim to ensure that gender representation in executive positions is as equal as possible.

At the end of 2022, 38 nationalities were represented at OP Financial Group, and the employees spoke a total of 26 native languages in addition to Finnish and Swedish. Men held 69% and women 31% of specified executive positions. OP Financial Group's Executive Management Team consisted of 3 women

Workforce by personnel group and gender, %



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

and 6 men in 2022. Men held 57% and women 43% of seats on OP Financial Group's governing bodies. We promote youth employment in many different ways. In 2022, we hired more than 400 summer employees, and 66 higher education students participated in the Kiitorata trainee programme.

OP is a valued and attractive employer

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

Personnel by organisation



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

OP Financial Group is a valued employer, and according to Universum’s employer branding surveys among other sources, we are attractive to both professionals and students. Both business professionals and students ranked OP as the third most attractive employer in Finland in 2022. The most significant criteria listed in the survey were the ways we support the balance of work and private life as well as emphasise sustainability.

Commitment to the promotion of social responsibility matters is also considered important among OP’s employees. The meaningfulness of work, assistance of colleagues and sense of community as well as the flexibility of work are factors that have a positive effect on the employee experience also according to OP’s own personnel surveys. Our key indicator, the Drive index, and the Employer Net Promoter Score (eNPS) were at a good level in the 2022 personnel surveys. The Drive index measures employees’ feelings on the meaningfulness of their work, enthusiasm, independence, continuous learning and opportunities to contribute to improving operations and practices.

We promote the wellbeing of our local communities

Supporting vitality and communities both locally and nationally has been a key part of OP Financial Group’s mission and responsibility for longer than 120 years, since the foundation of the first cooperative credit societies. Supporting local communities improves the area’s prosperity and economic development. Examples of local corporate responsibility actions include promoting the wellbeing of children and young people, sponsoring cultural activities, improving financial literacy, and teaching digital skills to those needing special support. Combined with versatile digital channels, OP cooperative banks’ network of branches and service outlets enable effective interaction with customers and the local community. At the end of 2022, the Group’s member banks had approximately 297 branches and service outlets, and 1,110 ATMs (shared between Finland’s banks) around the country were available to customers.

Wellbeing for children and young people

In the autumn of 2022, OP cooperative bank owner-customers were asked their views on their local bank’s sustainability and corporate responsibility work. Owner-customers nationwide wanted OP cooperative banks to promote hobbies for children and young people and strengthen young people’s employment opportunities. The questionnaire received more than 43,000 responses.



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

OP Financial Group and its nationwide network of OP cooperative banks are among Finland’s largest sponsors of culture and sport. Through cooperation with sports clubs, OP cooperative banks promoted physical activities among a total of 270,000 people in Finland in 2022. Our Sports Advisor service helps to prevent typical sports injuries by providing guidance to sports clubs and coaches. In 2022, more than 1,700 coaches training children and young people used the Sports Advisor service. In addition to supporting sport, our ‘Summer jobs paid for by OP’ campaign offered companies around Finland the chance to employ 2,046 young people around Finland, and the ‘Backpack for every back’ campaign we organised with Hope ry collected 2,500 bags for school children.

In 2022, Pohjola Insurance and OmaKamu ry signed a cooperation agreement whereby an increasing number of children will be able to participate in OmaKamu activities and have a safe adult in their lives. In addition, Pohjola Insurance and several OP cooperative banks are the main partners of The Children and Youth Foundation’s Dreams project in 2022–2024.

We support the management of personal finances and improve financial literacy

It is an important life skill to know how to manage your personal finances, so we help people to improve their financial literacy and manage their personal finances. In 2022, we strengthened the financial literacy of around 90,000 children and young people. Our financial literacy work is based on visits by OP cooperative bank representatives to schools and educational institutions, and open days at banks, during which we meet children and young people around Finland. In addition, we are in long-term cooperation with several different organisations.

In 2022, Economy and Youth TAT lead Investor Academy, Bisneskurssi (business course) and Summer entrepreneur programmes, which reached approximately 12,000 young people. We are one of the partners of the financial literacy project (“Taloustaito”) organised by the Deaconess Foundation, the Financial Literacy Competition arranged by the Association for Teachers of History and Social Studies (HYOL), Junior Achievement Finland’s entrepreneurship programme for primary school children (“Pikkuyrittäjät”) and the How the Economy Works course of the Helsinki Graduate School of Economics (Helsinki GSE). OP cooperative banks support and participate in Yrityskylä business villages for comprehensive school pupils in Oulu, Tampere, Turku and Kuopio. In addition, our Hippo character has helped parents to teach children about responsible spending ever since the 1970s. Hippo stories are also available on [Spotify](#).



Since 1999, we have paid more than
€ 3 billion
 in OP bonuses to owner-customers

Value for owner-customers

OP cooperative bank’s mission is to bring value to its owner-customers. Every year, nearly 2.1 million owner-customers use the services offered by OP cooperative banks and enjoy the related benefits and discounts.

In 2022, non-life insurance loyalty discounts amounted to EUR 60 million (58). In addition, owner-customers benefitted EUR 62 million (57) from the reduced price of the daily services package of Retail Banking.

OP bonuses earned by owner-customers are used for their banking service charges and insurance premiums and to pay OP Koti realty commissions. The amount of OP bonus depends on the customer’s transactions, including loans, savings accounts, mutual fund holdings and insurance policies.

Since 1999, we have paid more than EUR 3 billion in OP bonuses to owner-customers. In 2022, our owner-customers earned a total of EUR 215 million (210) in OP bonuses. As the cost of living rises, we want to ease our customers’ banking and insurance costs. We will increase the OP bonuses earned in 2023 by 30%.

Owner-customers can also invest in their OP cooperative bank with a competitive interest rate. In honour of its 120th anniversary, OP Financial Group increased the return target for Profit Shares held by owner-customers by 1.20 percentage points for 2022. This meant that the return target stood at 4.45%.



The Money Management Services on OP-mobile help our customers better understand their own finances and improve their financial literacy. ‘My financial balance’ summarises the income and expenses the customer’s finances consist of, and ‘Money Box’ helps the customer start saving even with smaller amounts of money.

In November, we published our transformed [‘Financial coaching for entrepreneurs’](#) content package, which was developed together with entrepreneurs and OP cooperative bank specialists. ‘Financial coaching for entrepreneurs’ assists small businesses with tasks like budgeting, cash flow management, PIN codes and calculations, taxes, financing, business development and investing. In addition, we carried out a survey in collaboration with Taloustutkimus regarding the financial literacy of small business owners.

” Digital skills are an important part of individuals’ ability to manage their finances. We aim to improve equal opportunities in the digital society by developing the accessibility of our digital services.

We help customers with special needs to manage their finances

Digital skills are an important part of individuals’ ability to manage their finances. We aim to improve equal opportunities in the digital society by developing the accessibility of our digital services. OP Accessible – an easy-to-use, clear-language web service for daily banking – is the OP service which best meets accessibility requirements. The accessibility of our other digital services is under constant development. Our mobile apps accept login with fingerprint or face recognition, and our key code lists are available in Braille.

In March 2022, we published a new OP guide for older people. It assists and guides them in doing their banking independently without a computer or a smartphone. The guide can be downloaded on the op.fi/older-people page or retrieved from a local OP cooperative bank. Representatives of OP cooperative banks teach digital skills to older people around Finland in bank branches, libraries, care homes and local events. In 2022, we met with around 12,000 people in our digital skills sessions, and the number has increased after restrictions set on assembly due to the coronavirus pandemic were relaxed.

Donations to support science, art and communities

OP Financial Group and OP cooperative banks donated a total of 1.8 million euros to Finnish universities during the funding period that ended in June 2022. With the donation, OP Financial Group supports Finnish expertise and research, creates

opportunities for sustainable growth and promotes the long-term success of its operating region.

OP Financial Group and OP cooperative banks donated 500,000 euros to Finnish Red Cross for helping the Ukrainians. In addition, OP Financial Group’s other charitable donations in 2022 totalled 426,000 euros. These include donations to MIELI ry, the Taloustaito project organised by the Deaconess Foundation, and Baltic Sea Action Group (BSAG).

The [OP Financial Group Research Foundation](#) established by the OP Financial Group supports economic research. In 2022, the Foundation distributed a total of 1.2 million euros in grants for economic research, funding the work of 54 researchers and research groups. In addition, the Foundation granted 1.2 million euros to a special initiative which will bring together the knowledge and collaborative networks of three university departments researching the financial sector and financial institutions.

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

Building Finland together

As Finland's largest financial services group, we maintain an open and continuous dialogue with various stakeholders, supported by our long tradition of cooperative values and operating principles. Through this dialogue, one of the main principles and goals of our stakeholder engagement is to identify areas of development in the corporate responsibility work of OP Financial Group.

Above all, our stakeholders expect openness and reliability from us. For them, we want to be a partner consistent with our core values, and a reliable player. We are in regular dialogue with our external stakeholders through a Stakeholder Forum, which includes representatives of labour market organisations, think tanks, political parties, universities and non-governmental organisations. The feedback we receive from the Stakeholder Forum also supports our sustainability and corporate responsibility work.



Corporate governance

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

Corporate responsibility organisation

OP Financial Group's corporate responsibility activities are guided by the Group's strategy and values, the needs of customers and the business environment, international commitments, and EU and national regulation. The Board of Directors of OP Cooperative approves the Corporate Responsibility Policy and sustainability programme, and significant changes to them. The ESG Committee established by the Executive Management Team prepares OP Financial Group's sustainability programme for the Board's approval, and tracks progress against the agreed targets. OP Cooperative's Supervisory Council regularly reviews the Group's sustainability programme and monitors its implementation. In OP Financial Group's executive management, the person responsible for corporate responsibility is the Executive Vice President of Banking Corporate and Institutional Customers. Group-level ESG and

Corporate Responsibility function is located in OP Corporate Bank plc. Its duties cover the whole OP Financial Group. The function is led by ESG and Corporate Responsibility Director, 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.

Corporate responsibility features regularly on the agendas of not only the central cooperative's Board of Directors and the Executive Management Team, but also the management teams of individual business divisions. 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 whenever the external environment changes. Stakeholders may give us feedback on responsibility issues.

Increasing sustainability competencies

One of the goals of our sustainability programme is to increase our personnel's sustainability competencies. We carried out many ESG-related study modules and training courses intended for our employees and bank boards during 2022. Particularly those working in investment and insurance sales have increased their competencies also regarding responsible and sustainable investing. Regulation, regulatory supervision and OP Financial Group's own policy priorities constantly set new competence and training requirements for various positions. In addition to training, we ensure that the competencies related to regulation are deepened and maintained by active communication and internal control.

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

Relevant policies and commitments
– Corporate governance

- UN Principles for Responsible Banking (UN PRB)
- UN Principles for Sustainable Insurance (UN PSI)
- UN Principles for Responsible Investment (UN PRI)

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

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. Based on the decision by the President and Group Chief Executive Officer, the Executive Management Team has set up a Risk Management Committee, Steering and Compliance



Committee and Banking ALM Committee that approve instructions and policy descriptions specifying the Risk Appetite Statement and the Risk Appetite Framework. Entities' risk management-related tasks are described in more detail in the entities' charters.

Change factors in the business environment, such as climate change and other sustainability (ESG) factors, have an impact on the needs and preferences of customers and other social actors. The ESG factors are defined as change factors affecting different risk types, not as separate risks, in risk identification processes. OP Financial Group organisations regularly analyse operational risks involved in their respective businesses. Risk and control self-assessment is based on the organisations' self-evaluations of operational risks and risk management. The process involves each organisation identifying and evaluating the most important operational risks associated with its operations. Risk identification is facilitated by a Group-wide operational risk library system that comprises the risk library, the cause and impact library, as well as the controls library. Environmental, social and corporate governance (ESG) perspectives are included in both the risk library and the cause and impact library. No new products, services, business models or systems are introduced until the associated risks and any changes in the risks have been assessed. Outsourcing and new partnerships are also subject to the same assessment. Regular risk reviews are held to keep the Executive Management Team and the Board of Directors informed of any significant risks that have materialised. Group Executive



Corporate governance
Sustainability programme goals

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

We will use data and artificial intelligence responsibly

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

We will increase diversity in our governing bodies

We will further improve the sustainability competencies of our personnel

Management is informed of significant phenomena identified and analysed in the assessments.

OP Financial Group has a whistle-blowing channel for anonymous reports on suspected cases of fraud or violation of rules and regulations.

OP Financial Group as a credit institution is supervised by the European Central Bank (ECB). The Finnish Financial Supervisory Authority oversees OP Financial Group's investment firms and insurance companies in Finland as prescribed in legislation governing financial and insurance markets. OP Financial Group's operations in Estonia, Latvia and Lithuania are supervised to an applicable extent by the national regulators. OP Financial Group uses Group-wide financial reporting and risk reporting to monitor the achievement of business goals and financial targets,

and these reports are regularly reviewed at the meetings of senior management and OP Cooperative's Board of Directors. The same principles apply to the management's monthly financial performance and risk reports. When preparing and examining the report, the management ascertains the accuracy and correctness of the financial results and reporting by analysing performance and risk profile and any deviations from targets. External reporting is based, for example, on the International Financial Reporting (IFRS) Standards, the Finnish Limited Liability Companies Act, Act on Credit Institutions, Insurance Companies Act, Accounting Act, and the standards and regulations issued by the Financial Supervisory Authority. The auditor for OP Cooperative must be a firm of authorised public accountants certified by the

Tax footprint

€ million	2022
Direct taxes in total	433
Social security and pension contributions	209
Income tax	220
Real estate tax	3
Indirect taxes treated as expense in total	106
Value added tax treated as expense	106
Indirect taxes in total	301
Value added tax	45
Insurance premium tax	256
Taxes collected in total	220
Withholding tax	214
Tax at source	7



Finnish Patent and Registration Office. More detailed information about OP Financial Group’s governance system in 2022 is available in the [2022 Corporate Governance Statement](#).

One of the biggest taxpayers in Finland

OP Financial Group is one of the largest taxpayers in Finland. In addition, OP cooperative banks are often among the largest local taxpayers. All OP cooperative banks pay their corporate tax locally in their operating region. OP Financial Group’s income tax expenses for the financial year 2022 totalled 242 million euros (224). The effective tax rate was 19.1% (19.8).

OP Financial Group’s taxes consist of indirect and direct taxes, and taxes collected on behalf of the government. Direct taxes include income taxes, property taxes and fiscal charges paid directly by the Group. Indirect taxes include value added tax and insurance premium tax. Taxes collected by OP Financial Group on behalf of the government include those that the Group collects as a payer and forwards to the government, such as withholding tax on wages and tax at source on interest. No value added tax is payable on the brokerage and sale of financial services, which is why these services do not render OP Financial Group liable for value added tax payments or entitle it to deduct value added tax for purchases. OP Financial Group’s member cooperative banks and other companies are nevertheless liable to pay value added tax on their other business transactions. Taxes included in OP Financial Group’s tax footprint are calculated on an accrual basis.

Responsibility of our data capital

Data plays a key role in OP Financial Group’s business operations, business environment and in creating value to customers. In our sustainability programme, we commit to using our data capital and artificial intelligence responsibly. OP Financial Group collects, processes and uses data in line with Group-level principles as well as operating and supervision models. We treat all personal data belonging to our customers, employees and stakeholders with respect and process it responsibly.

OP Financial Group’s data balance sheet describes the business value of data, its responsible processing, utilisation and strategic management. The Data Balance Sheet also describes key principles and procedures concerning personal data processing at OP Financial Group. By annually publishing our data balance sheet, we strive to become a pioneer of transparency and openness among companies that make significant use of customer data. In 2022, we also carried out the first artificial intelligence transparency report regarding our ‘My financial balance’ service.

We treat all customer information confidentially

OP Financial Group’s salaried employees and all members of our governing bodies are legally bound to confidentiality regarding all customer data. We respect banking and insurance secrecy, the confidentiality of customer data, and contractual non-disclosure obligations in everything that we do.

Our employees only process customer data to the extent required by their duties, and we take data protection matters into account in all personal data processing.

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

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

In 2022, OP Financial Group received 14 substantiated customer complaints concerning the processing of personal data or breaches of customer privacy (in the related calculation, several complaints filed about a single event – for example, a mailing error – were counted as one complaint). In 2022, OP Financial Group’s internal controls identified a total of 964 cases that can be classified as personal data breaches under the GDPR. The number includes breaches attributable to human error that are unlikely to compromise the rights and freedoms of natural persons. The identified cases include personal

data breaches occurred in the operations of Pohjola Hospital in January 2022.

Responsible procurement

OP Financial Group’s procurement function aims to ensure that the services and products it purchases are cost efficient overall, of high quality, sustainable and regulation compliant. In cooperation with business divisions, centralised procurement is tasked with overseeing OP cooperative banks and other stakeholders to ensure that the selected suppliers are managed professionally.

In 2022, the value of OP Financial Group’s centralised purchases totalled approximately 2 billion euros. The Group had almost 20,000 suppliers of products and services. Most of the suppliers are based, and the services are provided, in Finland. In terms of purchase volumes, the largest purchase categories were Insurance claims services, ICT and Building management services. In addition, OP Financial Group’s business divisions took care of their own funding and investment-related acquisitions.



In 2022, the value of OP Financial Group’s centralised purchases totalled approximately 2 billion euros.

> Supplier Code of Conduct

Our Supplier Code of Conduct is binding on all suppliers and partners of OP Financial Group. The Code of Conduct is based on OP Financial Group’s core values, corporate responsibility priorities and Code of Business Ethics, as well as the principles of the UN Global Compact Initiative. We require that our product and service suppliers comply with local legislation, regulations of the authorities, and good business practices of their respective sectors. Suppliers must also ensure that any suppliers and subcontractors in their own supply chain observe the same principles. At the moment, 87% of our purchases, measured in terms of procurement costs, are made from suppliers who have undertaken to comply with our Supplier Code of Conduct.

In addition to universal minimum requirements, we strive to identify the most important responsibility themes and criteria for each of the categories of goods we purchase and to apply service-specific or category-specific responsibility requirements. We perform an initial evaluation of suppliers’ responsibilities in our supplier approval process as part of a broad suitability assessment of potential partners, and subsequently in connection with competitive tendering and at regular intervals in accordance with an operating model established alongside OP Financial Group’s Procurement function. We encourage supplier transparency and dialogue on operating instructions and the development of responsible business collaboration.

> Supplier audits as part of responsibility assessment

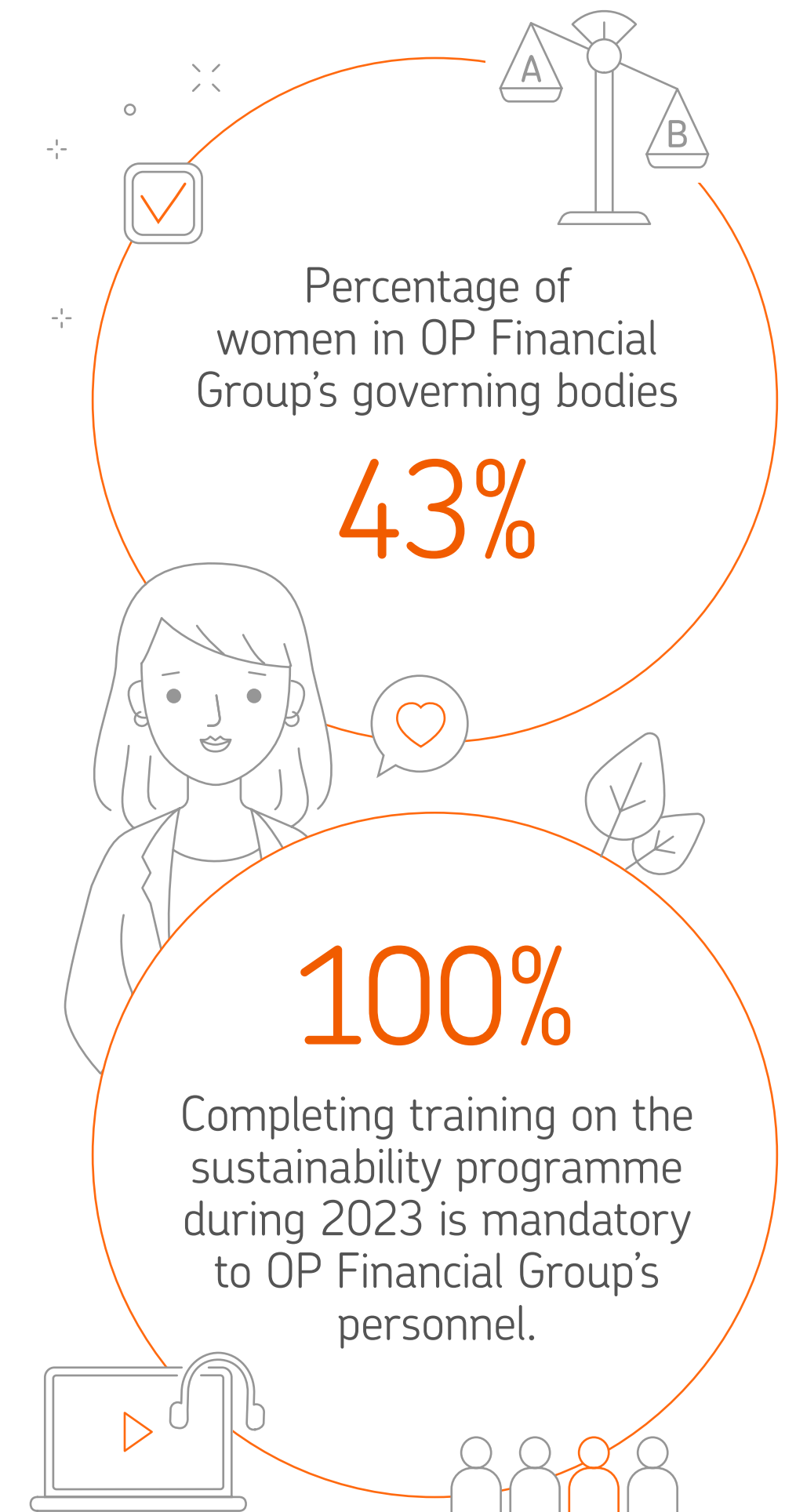
The Procurement function observes regulatory requirements applicable to OP Financial Group and ensures regulatory compliance in areas such as supplier contract updates and regulatory reporting. The purpose of supplier audits is to ensure that our Supplier Requirements are implemented in practice, increase cooperation transparency and support suppliers in correcting any shortcomings. Besides the regulatory compliance of suppliers’ business activities, the audits focus on matters related to employees’ basic rights, human rights and environmental management. We performed audits on our major suppliers in 2022. The audits did not reveal any severe shortcomings. We will continue our supplier audits in 2023.

> Intensified cooperation with strategic ICT partners

In 2022, a major change in our supplier chain was the intensified cooperation related to strategic partnerships. We have created an even tighter partner ecosystem based on OP Financial Group’s operating model and shared practices, processes and tools. As part of this, we will also strengthen our culture of working as a single team and set goals for ensuring the diversity and equality of teams and for reducing the carbon footprint of services provided to OP.

During Russia’s aggressive war in Ukraine, we have been in regular dialogue with our strategic partners that supply OP Financial Group with application and

maintenance work related to ICT services, particularly regarding ensuring the continuity of services. With respect to country risks, in addition to Ukraine, we have monitored the situation in India in particular.



Basis and indicators of GRI reporting

Our reporting principles

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

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

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

Emissions

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

- Scope 1 emissions: fossil fuels used to power stand-by generators. Emission factors as per Ecoinvent /One Click LCA.
- Scope 2 location-based: country-specific average emission factors used for electricity. Emission factors: Statistics Finland's 2022 Finnish electricity production figures and 2020 district heating statistics, Statistics Finland Ecoinvent / One Click LCA and the IEA's 2021 district heating and electricity figures (for countries other than Finland). (Ecoinvent / One Click LCA)
- Scope 2 market-based: purchased green electricity taken into account, with the rest being based on a residual mix. Emission factors as per Ecoinvent /One Click LCA with respect to green electricity.
- Scope 3 Emissions:
 - Category 1: purchased products and services, calculation is based on total sourcing costs and includes insurance payouts, maintenance of premises, ICT and development expenses, expert and HR services, marketing and communications, information logistics and health services. Emission factors as per DEFRA.
 - Category 5: waste generated by operations covers waste generated by the central cooperative.
 - Category 6: business travel includes emissions from travel and hotel stays.
 - Category 7: employee commuting includes emissions from the use of company cars.
 - Emission factors: as per supplier and Traficom.
 - Category 15: investments. In July 2022, OP Financial Group joined the international Partnership for Carbon Accounting Financials (PCAF) cooperation project of financial institutions, the goal of which is to develop and implement a unified way to assess and report greenhouse gas emissions related to loans and investments. PCAF method for evaluating emissions is the starting point for the work of the financial sector to reach the goals of the Paris climate agreement. Comparable information on climate emissions is important, for example, for developing sustainable investment products and managing credit risk. With the new calculation method, emissions are targeted more precisely based on the uses of the funds we finance. We also have more comparable and more accurate information for emission calculation

models than before. In addition, OP has decided to use the results of the 2022 emissions calculation as a baseline for emission reduction targets. More detailed descriptions regarding the calculation of each asset class are presented on [page 54](#).

Management approach and reporting on the material aspects

Sustainability Programme themes	Material aspects	GRI Material aspects	Policies and commitments	Projects, programs and initiatives
Climate and the environment	<ul style="list-style-type: none"> Mitigating and preparing for the effects of climate change Advocating sustainable financing and investing Promotion of the circular economy Promoting biodiversity 	<ul style="list-style-type: none"> Ownership Emissions Energy 	<ul style="list-style-type: none"> Code of Business Ethics UNEP FI PRB ja Collective Commitment to Climate Action UNEP FI PSI Montreal Pledge Global Compact TCFD CDP Climate Action 100+ UNPRI 	<ul style="list-style-type: none"> PCAF WWF Green Office system City of Helsinki's Climate Partners network
People and communities	<ul style="list-style-type: none"> Promoting the diversity, equal opportunities and wellbeing of employees Supporting local communities and measures to boost vitality and wellbeing Promoting financial literacy Respect for human rights 	<ul style="list-style-type: none"> Local communities Economic performance Indirect economic impacts Employment Occupational health and safety Non-discrimination 	<ul style="list-style-type: none"> Global Compact UNEP FI PRB Code of Business Ethics Procurement Policy OP Financial Group's Supplier Code of Conduct Operating Model for the Management of Wellbeing at Work OP's Principles of Good Leadership Remuneration Policy Gender Equality and Equity Plan Competence Development Procedures 	<ul style="list-style-type: none"> Junior Achievement Finland: Pikkuyrittäjät and Uskalla Yrittää programmes HDL: financial literacy project Economy and Youth TAT: Mun elämä (My Life) workshops HYOL: financial literacy competition 4H youth work: Ajokortti työelämään Local financial literacy programmes Responsible summer jobs Local programmes and partnerships
Corporate governance	<ul style="list-style-type: none"> Open and transparent operations Protection of privacy and data security Preventing shadow economy, corruption and money laundering Risk management Competence development 	<ul style="list-style-type: none"> Anti-competitive behaviour Anti-corruption Local communities Customer privacy Training and education 	<ul style="list-style-type: none"> Code of Business Ethics Ethical Principles of Artificial Intelligence OP Financial Group's Supplier Code of Conduct OP's Principles of Good Leadership Remuneration Policy Gender Equality and Equity Plan Competence Development Procedures Principles of Diversity 	<ul style="list-style-type: none"> Local programmes and partnerships Responsible summer jobs

GRI-indicator

Disclosure Title	2018	2019	2020	2021	2022	Omissions
GRI 2: General disclosures						
Activities and workers						
2-7 Employees						b) i) 12,999 Employees in total, 8,554 women, 4,394 men ii) 711 Temporary employees, of whom 461 women and 246 men iii) iv) 11,909 Full-time employees, of whom 7,696 women and 4,171 men v) 1,090 Part-time employees, of whom 858 women and 223 men c) i) Number of personnel ii) As of the end of the reporting period d) Information compiled from OP Financial Group's personnel information system (HR Jopo Masterdata) e) No significant variation
Total employees and their breakdown by gender and by region						The figure includes the number of employment contracts in force at the end of the reporting period.
Men	3,719	3,872	4,150	4,334	4,394	
Women	8,347	8,354	8,440	8,713	8,554	
Other or missing data			14	32	51	
Finland	11,963	12,118	12,492	12,955	12,866	
Other countries	103	108	112	124	133	
The total number of permanent employees, and a breakdown by gender and by region						The figure includes the number of permanent employment contracts in force at the end of the reporting period.
Men	3,485	3,640	3,888	4,076	4,148	
Women	7,838	7,874	7,908	8,195	8,093	
Other or missing data	0	0	14	31	47	
Finland	11,233	11,416	11,708	12,193	12,165	
Other countries	90	98	102	109	123	
The total number of temporary employees, and a breakdown by gender and by region						The figure includes the number of temporary employment contracts in force at the end of the reporting period.
Men	234	232	262	258	246	
Women	509	480	532	518	461	
Other or missing data		0	0	1	4	
Finland	730	702	784	762	701	
Other countries	13	10	10	15	10	

Disclosure Title	2018	2019	2020	2021	2022	Omissions
The total number of non-guaranteed hours employees, and a breakdown by gender and by region						The number of non-guaranteed hours employees cannot be reported for the reporting period due to the precautionary principle. The information will be available for reporting in 2023.
The total number of full-time employees, and a breakdown by gender and by region						The figure includes the number of full-time employment contracts in force at the end of the reporting period. Full-time employees are employees whose regular working hours correspond to the maximum hours permitted by the applicable collective agreement.
Men	3,545	3,695	3,948	4,118	4,171	
Women	7,571	7,571	7,601	7,844	7,696	
Other or missing data	0	0	14	28	42	
Finland	11,027	11,158	11,451	11,873	11,780	
Other countries	89	108	112	117	129	
The total number of part-time employees, and a breakdown by gender and by region						The figure includes the number of part-time employment contracts in force at the end of the reporting period. Part-time employees are employees whose regular working hours are less than the maximum hours permitted by the applicable collective agreement.
Men	174	177	202	216	223	
Women	776	783	839	869	858	
Other or missing data	0	0	0	4	9	
Finland	936	960	1,041	1,082	1,086	
Other countries	14			7	4	
2-8 Workers who are not employees						The figure includes the number of temporary agency workers working actively at the end of the reporting period.
The total number of workers who are not employees and whose work is controlled by the organization						In 2022, external workforce consisted of temporary agency workers.
The total number of the most common types of worker and their contractual relationship with the organization	1,365	1,617	1,502	1,651	1,820	Figures show number of personnel at year end.
The type of work they perform						In 2022, external workforce consisted of temporary agency workers. Of these, 82% work in development and technology functions, 13% in business segments and 4% in centres of excellence.

Disclosure Title	2018	2019	2020	2021	2022	Omissions					
Governance											
2-21	Annual total compensation ratio										
	The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)					19	19	19	20	19	The ratio of the highest fixed compensation and median fixed compensation is reported for Finland and excludes hourly paid staff and OP Koti business segments. OP Financial Group does not report the total compensation ratio due to the precautionary principle.
	The ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)										OP Financial Group does not report the information due to the precautionary principle.
Strategy, policies and practices											
2-27	Compliance with laws and regulations						No significant cases of non-compliance in 2022.				
Stakeholder engagement											
2-30	Collective bargaining agreements						The figures are for Finland only. No binding collective agreements exist in the Baltic countries. Employees not covered by collective bargaining agreements include real estate agents, property managers and employees on an executive contract. As a rule, the terms of employment of such employees are not based on the collective agreements for the financial or insurance sectors. Individual terms of employment may exist, but these are agreed on a per-contract basis.				
	Report the percentage of total employees covered by collective bargaining agreements					91%	91%	91%	91%	92%	92% of employees are covered by collective bargaining agreements. 8% of employees are covered by non-collective bargaining agreements.
Economic standards											
GRI 201: Economic performance											
201-1	Direct economic value generated and distributed, million euros										
	Revenues					2,916	2,983	2,874	3,335	3,446	
	Economic value distributed										
	Operating costs					837	842	849	807	868	
	Employee wages and benefits					516	781	715	914	894	
	Returns to owner-customers					226	249	251	205	209	
	Income tax					223	168	144	224	242	
	Donations and other community investments					2,8	2,1	2,7	2,4	6,0	
	Economic value retained					1,111	941	913	1,182	1,228	

Disclosure Title	2018	2019	2020	2021	2022	Omissions
GRI 205: Anti-corruption						
205-2	Communication and training about anti-corruption policies and procedures					
	Personnel, central cooperative	98%	96%	87%	87%	96%
	Personnel, OP cooperative banks	83%	100%	100%	100%	98%
Environmental standards						
GRI 302: Energy						
302-1	Energy consumption within the organization					
	District heating, MWh	72,290	73,420	67,210	69,228	74,958
	District cooling, MWh	5,140	4,630	3,420	2,700	2,679
	Fuels, heating and stand-by generators, MWh	190	90	86	84	1 278
	Electricity, MWh	56,970	59,910	57,200	60,302	47,678
	Share of renewable electrical energy		34%	41%	36%	54%
	Total energy consumption within the organisation, MWh	134,080	136,840	127,196	132,380	126,593
	Share of renewable energy of total energy			26%	25%	52%
302-3	Energy intensity					
	Energy intensity, MWh per capita per year	11,1	11,2	10,1	10,1	9,7
GRI 305: Emissions						
305-1	Direct (Scope 1) GHG emissions					
	Scope 1: Direct GHG emissions	48	23	22	21	332
305-2	Energy indirect (Scope 2) GHG emissions					
	Scope 2: Energy indirect greenhouse gas emissions, market-based, CO ₂ e-tons	24,278	23,739	17,900	25,464	6,824
	Scope 2: Energy indirect greenhouse gas emissions, location-based, CO ₂ e-tons	23,282	22,431	17,332	17,702	14,585
305-3	Other indirect (Scope 3) GHG emissions					
	Scope 3, category 1: purchased products and services	1,285	1,861	460,000	338,000	360,000
	Claims Settlement					207,000
	Building Management Services					65,000
	ICT					50,000
	Other					38,000
	Total					360,000

Calculation principle changed in 2020. The calculation boundaries were updated in 2021.

Disclosure Title	2018	2019	2020	2021	2022	Omissions
Category 5: Waste generated in operations, CO ₂ e-tons	254	402	0	0	0	A total of 14 metric tons of CO ₂ equivalent of total emissions from waste were compensated.
Category 6: Business travel, CO ₂ e-tons	3,541	3,763	2,977	1,233	2,419	
Category 7: Employee commuting, CO ₂ e-tons	1,059	957	1,051	1,205	941	
Category 15: Investments, CO ₂ e-tons	over 10 mill.	over 10 mill.	approx. 13.1 mill.	over 11.2 mill.	approx. 6 mill.	More information on emissions calculations can be found on page 54.
305-4 GHG emissions intensity						
Greenhouse gas emissions intensity, CO ₂ e-tons per capita	2,02	1,94	1,42	1,95	0,55	
GRI 306: Effluents and Waste						
306-2 Waste by type and disposal method						As reported by the service provider, Lassila & Tikanoja. Procedure ii) The information covers the locations of OP Cooperative.
Recycling and reuse	559 t	625 t	483 t	384 t	403 t	OP Cooperative
Other use	108 t	172 t	73 t	57 t	65 t	OP Cooperative
Incineration (mass burn)	44 t	51 t	34 t	37 t	49 t	OP Cooperative
Disposal	1 t	0 t	0 t	0 t	0 t	OP Cooperative
Social standards						
GRI 401: Employment						
401-1 New employee hires and employee turnover						
New employee hires	1,721	1,789	1,641	1,770	1,571	The reported figure does not include re-hires. OP Financial Group does not report this figure by region.
Employee turnover	2,134	2,095	1,750	1,744	1,686	The reported figure does not include transfers of business. OP Financial Group does not report this figure by region.
Total employee turnover, permanent staff	11,6%	11,2%	8,7%	8,6%	8,5%	Total employee turnover is reported for permanent staff only and excludes any business transfers. The average number of permanent employees during the year has been used as the divisor.
Voluntary employee turnover, permanent staff	6,9%	6,6%	4,0%	5,8%	5,8%	

401-1 New employee hires by age group and gender

OP Financial Group	Under 30 years old	30–49 years old	Over 49 years old	Total
Men	349	203	43	595
Women	514	375	67	956
Other or missing data	7	10	3	20
Total	870	588	113	1,571
Central Cooperation				
Men	219	157	25	401
Women	289	231	32	552
Other or missing data	4	10	3	17
Total	512	398	60	970
OP cooperative banks				
Men	120	29	4	153
Women	210	114	15	339
Other or missing data	2	0	0	2
Total	332	143	19	494
OP Koti				
Men	10	17	14	41
Women	15	30	20	65
Other or missing data	1	0	0	1
Total	26	47	34	107

401-1 Employee turnover by age group and gender

OP Financial Group	Under 30 years old	30–49 years old	Over 49 years old	Total
Men	326	189	118	633
Women	408	334	303	1,045
Other or missing data	5	3	0	8
Total	739	526	421	1,686
Central Cooperation				
Men	179	135	54	368
Women	190	193	94	477
Other or missing data	4	3	0	7
Total	373	331	148	852
OP cooperative banks				
Men	136	36	29	201
Women	208	114	162	484
Other or missing data	0	0	0	0
Total	344	150	191	685
OP Koti				
Men	11	18	35	64
Women	10	27	47	84
Other or missing data	1	0	0	1
Total	22	45	82	149

Disclosure Title	2018	2019	2020	2021	2022	Omissions
401-3 Parental leave						
Number of employees on parental leave						Number of employees on parental leave during the reporting period, regardless of the start year of the leave. The figure reported is for Finland, with the exception OP Koti. OP Financial Group does not report the number of employees entitled to parental leave due to the precautionary principle.
Men	303	312	331	362	383	
Women	682	692	668	705	726	
Other or missing data				6	7	
Number of employees retained after parental leave						Number of employees on parental leave during the reporting period, regardless of the start year of the leave. The figure reported is for Finland, with the exception OP Koti.
Men	289	285	302	324	344	
Women	271	284	266	271	324	
Other or missing data					4	

Disclosure Title	2018	2019	2020	2021	2022	Omissions
Return to work after parental leave						Return-to-work rate calculated in relation to those who were supposed to return to work after the end of parental leave during the reporting period. The figure reported is for Finland, with the exception OP Koti.
Men	100%	99%	100%	99%	99%	
Women	91%	87%	93%	94%	91%	
Other or missing data					100%	
Retention rate after parental leave						The figure reported is for Finland, with the exception OP Koti.
Men	87%	88%	98%	91%	86%	
Women	90%	90%	93%	87%	87%	
Other or missing data						
GRI 403: Occupational health and safety						
403-8	Workers covered by an occupational health and safety management system					The figure includes employees only, not workers who are not employees.
	Percentage of total workforce represented in formal joint management-worker health and safety committees					
	92%	92%	93%	94%	94%	
403-9	Work-related injuries					The figure covers persons employed in Finland. OP Financial Group does not report work-related injuries sustained by workers who are not employees due to the precautionary principle. Workers who are not employees are not exposed to serious occupational illnesses or work-related injuries.
	Number of occupational accidents resulting in lost days					
	9	15	7	5	4	
	Rate of accidents per one million hours worked					
	0,5	0,8	0,4	0,3	0,2	The frequency of work-related injuries has been calculated by dividing the number of work-related injuries resulting in sick leave by one million hours worked.
	Work-related fatalities					
	0	0	0	0	0	
403-10	Recordable cases of work-related ill health					
	Percentage of annual working days lost due to sickness absences					
	3,3%	3,4%	2,9%	2,7%	3,6%	The figure is reported for Finland, excluding OP Isännöinti Itä-Uusimaa.
	Men					
	1,9%	2,0%	1,4%	1,5%	2,1%	
	Women					
	3,9%	4,0%	3,7%	3,4%	4,3%	
GRI 404: Training and education						
404-1	Average hours of training per year per employee					The figure is reported for Finland, excluding OP Isännöinti Itä-Uusimaa. The figure does not necessarily include all training courses and coaching attended by employees.
	Men					
	12	14	10	11	12	
	Women					
	15	19	13	14	16	

Disclosure Title	2018	2019	2020	2021	2022	Omissions
Other or missing data				15	8	
Total	14	17	12	13	15	
Executives					15	
Supervisors					19	
Specialists					11	
Salaried employees					16	
404-3 Percentage of employees receiving regular performance and career development reviews						
Percentage of employees receiving regular performance and career development reviews					89%	The figure does not include data from OP Isännöinti Uusimaa. The method for calculating the indicator has been updated as of 2022. OP does not report the percentage of employees receiving regular performance and career development reviews by gender or employee category due to the precautionary principle.
GRI 405: Diversity and equal opportunity						
405-1 Diversity of governance bodies and employees						
Human resources by gender						
Men	31%	32%	33%	33%	34%	
Women	69%	68%	67%	67%	66%	
Other or missing data				0%	0%	
Human resources by age group						
Under 30 years old	15%	15%	17%	18%	18%	
30–49 years old	50%	51%	52%	52%	53%	
Over 49 years old	35%	34%	31%	30%	29%	
Human resources by employee category						
Management	3%	3%	3%	3%	3%	
Supervisors	9%	8%	7%	7%	7%	
Experts	31%	32%	35%	35%	37%	
Employees	57%	56%	55%	55%	53%	
Average age of employees	43,0	42,6	42,2	41,9	41,9	
Average length of service	13,7	11,1	11,0	10,5	10,5	
405-2 Ratio of basic salary and remuneration of women to men						
Management	91%	94%	92%	90%	87%	The figure is for Finland, with the exception of hourly paid employees and OP Koti business segments.
Managers and specialists	87%	88%	89%	88%	89%	
Salaried employees	106%	104%	104%	105%	108%	

405-1 Diversity of governance bodies and employees

OP Financial Group	Under 30 years old	30–49 years old	Over 49 years old	Men	Women	Other or missing data
Management	0%	50%	49%	69%	31%	0%
Supervisors	2%	64%	34%	43%	57%	0%
Experts	9%	63%	28%	49%	51%	0%
Employees	27%	45%	28%	20%	79%	0%
Total	18%	53%	29%	34%	66%	0%
Central Cooperative						
Management	1%	60%	39%	63%	37%	0%
Supervisors	2%	70%	28%	49%	50%	0%
Experts	10%	64%	26%	52%	48%	1%
Employees	31%	49%	20%	23%	76%	1%
Total	18%	58%	24%	40%	59%	1%
OP Cooperative Banks						
Management	0%	44%	56%	73%	27%	0%
Supervisors	2%	61%	37%	34%	66%	0%
Experts	7%	59%	34%	38%	62%	0%
Employees	26%	43%	31%	15%	85%	0%
Total	19%	48%	33%	24%	76%	0%
OP Koti						
Management	0%	50%	50%	63%	38%	0%
Supervisors	0%	35%	65%	61%	39%	0%
Experts	2%	34%	65%	45%	55%	0%
Employees	12%	40%	48%	38%	62%	0%
Total	10%	40%	51%	41%	59%	0%

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

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



GHG accounting annex for results

Introduction

OP Financial Group seeks to continuously improve its understanding of its indirect climate impacts. In 2022, OP Financial Group renewed its Greenhouse Gas (GHG) emission calculation methodologies for GHG Protocol Scope 3 Category 15 to be aligned with the Partnership for Carbon Accounting Financials (PCAF) standard. OP Financial Group complies with the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard (2020). The renewed methodology is well suited to provide a baseline for OP Financial Group's climate target setting as well as guide internal decision-making. The GHG emission calculations include the following asset classes: business loans, mortgages, motor vehicles, and asset management. The asset classes of Commercial Real Estate (CRE) and Project Finance are not included. These will be reported separately in the OP Financial Group's future reports once data for the calculations is available.

Data quality is reported according PCAF data quality score range 1–5. The data used for the calculations varies and is reflected in the PCAF data quality score in each asset class. In general, the best score of one is given to the most credible data whereas a score five is given when general emission factors are used.

All results represent the situation as at end of year 2022.

Business loans

Intro

Business loans asset class includes financed emissions from outstanding business loans including company Scope 1 and 2, at year end 2022. The total emissions for the business loans asset class is: 3,392,365 tCO₂e. Financed emissions of companies Scope 3 are also itemized in the table below. The calculations cover 20.4 billion euros of loans following the PCAF methodology. This results to 93% coverage of the business loans portfolio.

Results table

Main industry	Financed emissions, including company Scope 1+2, tCO ₂ e	Financed emissions, including company Scope 3, tCO ₂ e	PCAF data quality score, weighted average	Scope 1+2 emissions intensity (tCO ₂ / million EUR of outstanding loans)
A Agriculture, forestry and fishing	694,691	194,896	4.73	237.42
B Mining and quarrying	31,928	115,505	3.42	482.21
C Manufacturing	138,319	768,557	3.47	63.37
D Electricity, gas, steam and air conditioning supply	2,360,985	3,547,863	3.60	815.28
E Water supply; sewerage, waste management and remediation activities	42,848	69,757	4.17	184.10
F Construction	8,990	69,543	4.18	22.10
G Wholesale and retail trade; repair of motor vehicles and motorcycles	16,035	232,761	3.92	7.96
H Transportation and storage	53,704	75,170	4.24	75.92
I Accommodation and food service activities	3,485	19,947	4.26	26.42
J Information and communication	3,276	15,750	3.87	6.86
K Financial and insurance activities	2,635	16,987	4.16	1.02
L Real estate activities	10,025	16,529	4.02	3.85
M Professional, scientific and technical activities	3,682	19,756	4.34	3.34
N Administrative and support service activities	4,773	23,335	3.91	7.86
• Services to buildings and landscape activities (NACE 81)	1,244	7,691	4.18	17.60
O Public administration and defence; compulsory social security	3,236	25,982	4.97	3.29
P Education	2,651	6,049	4.04	27.41
Q Human health and social work activities	5,056	24,036	4.22	28.32
R Arts, entertainment and recreation	3,014	10,617	4.11	21.45
S Other service activities	3,034	13,770	4.26	12.43

Methodology

The calculations follow PCAF's fundamental tenet of following the money to the financed activities. Overall PCAF data quality score for the asset class is 4.14.

Company emissions (reported by the company or estimated by the bank) are attributed to OP Financial Group following the attribution factor that is calculated as the share of outstanding loans of the total balance sheet of the company. For public companies Enterprise Value including Cash (EVIC) is used instead of balance sheet total.

Commentary on results

The largest source of financed emissions for OP Financial Group in the business loans asset class is energy sector (D). This is due to high volume of outstanding loans as well as high emission factors for the companies operating in the industry. Second largest source of emissions come from agriculture and forestry sector (A) where OP Financial Group finances a large share of agricultural businesses in Finland.

The results differ from last year significantly as the methodology is updated to follow the PCAF methodology. The most significant single difference is that in the previous calculations all liabilities to the financed

companies were used to multiply company emissions factors whereas now only loan products mentioned in the PCAF standard are included.

OP Financial Group has done an unofficial and unaudited estimation of year 2021 emissions following the new methodology and comparable emissions decreased by 2.5%.

Mortgages

Intro

Emissions for mortgage asset class is reported separately for the first time this year. The asset class includes housing loans for private households, housing companies, and for other business customers.

Results table

Mortgages	Financed emissions, Scope 1+2, tCO ₂ e	PCAF data quality score, weighted average	Scope 1+2 emissions intensity (tCO ₂ / million EUR of outstanding loans)	Coverage-%
Mortgages	821,042.35	3.93	55.74	99.92%

Methodology

The calculations follow PCAF's fundamental tenet of following the money to the financed activities. Methodology to calculate GHG emissions is renewed to meet the PCAF standard. Data for emission calculations are based on collateral's energy performance certificates (EPC) if they are publicly available. When estimation according to EPC is not possible, the estimations used other information of collateral's and the PCAF database. PCAF data quality score is 3.93 in total.

Commentary on results

Mortgage asset class covers a significant part of OP Financial Group's Scope 3 category 15 emissions. This is due to a large portfolio of housing loans and the current energy efficiencies of Finnish housing.

Vehicles

Intro

Emissions of OP Financial Group's motor vehicle loans portfolio are calculated for the first time using PCAF methodology in 2022. The motor vehicle loan portfolio consists of several different objects. However, in terms of financed objects and outstanding loans, passenger cars are clearly the most significant object class.

Results table

Motor Vehicle loans	Financed objects	Financed emissions, tCO ₂ e	PCAF score	Coverage-%
Total	174,600	205,639	5	82%

Methodology

Estimated emissions are not vehicle specific. This refers to option 3b of the PCAF standard, which gives a data quality score 5. Emission factors from PCAF database are used. Distance travelled by object type is based on data from Statistics Finland (2018). Emissions for a single object were calculated by multiplying the average distance travelled by the object specific emissions factor.

Coverage of the calculations is 82%. Objects in scope were selected by data availability. Two criteria had to be fulfilled to make the calculations: 1) average distance travelled by object must be available from Statistic Finland and 2) average emission factors based on distance driven must be available from PCAF database. Passenger cars, light commercial trucks, heavy commercial trucks & busses match these criteria and were included in the calculations.

Commentary on results

For comparison financed emissions for motor vehicle loans portfolio was done using 2021 data. Financed emissions in 2021 were 190,433 tCO₂e. Larger emissions in 2022 are explained by the fact that in 2022 number of financed objects was around 10% higher than in 2021. Financed emissions per object were on the same level as in 2021. OP Financial Group has done an unofficial and unaudited estimation of year 2021 emissions following the new methodology.

Asset management

Intro

Asset management is in the transition from the earlier carbon emission calculation methodology to the new PCAF methodology. To keep the Asset Management's various reports consistent and comparable over time, we will keep the previous methodology in several other reports for now while measuring the financed carbon emissions based on PCAF in this report.

Results table

	Financed emissions Scope 1+2, (tCO ₂ e)	PCAF data quality score	Coverage-%
OP-funds	1,310,650.78	2.15	83%
Pohjola Insurance and OP Life Assurance	329,856.69	2.05	87%
OP Pension Fund / OP-Eläkesäätiö	9,237.68	2.14	87%

Methodology

Following PCAF methodological guidance, we estimate financed emissions for each portfolio as the sum of our attribution of emissions in each company in the portfolio, where the attribution factor is determined by the ratio between the portfolio's investment, measured by the market value of the equity or the book value of bond that the borrower owes to the lender, and the enterprise value including cash of each company. Only listed equities and bonds are included in the calculation. We further exclude short positions in equities and bonds since they are not included in the definition of financed emission.

We use Scope 1 and 2 carbon emissions data from MSCI ESG Research. In case of missing values, we supplement them with data from S&P Trucost (S&P Sustainable 1). We measure the portfolio-level data quality score as the weighted average of company-level quality scores, which are based on third-party data providers' disclosure of the data source of carbon emissions.

Scope 3 emissions are excluded from all calculations because of the data uncertainty concern. Unlike the high correlation of the Scope 1 and 2 carbon emissions between MSCI and S&P, the correlation of Scope 3 carbon emissions between these two data providers is quite low.

Commentary on results

This year's numbers are not comparable to last year's numbers due to the methodology change. To provide some context behind these numbers, we recalculated last year's numbers using PCAF methodology. We have approximately the same coverage in OP funds and Pohjola Insurance and OP Life Assurance holdings, and their financed emissions decreased by 27% and 5%, respectively, compared to last year. The decrease in financed emissions is consistent with our carbon reduction targets. In terms of OP-Eläkesäätiö's holdings, the financed emissions have increased despite a decrease in coverage. Such an increase is caused by the change of the benchmark portfolio and the new investment strategy. Considering that the financed emission of OP-Eläkesäätiö holdings is still relatively low, the increase in this year's number is within the acceptable range. OP Financial Group has done an unofficial and unaudited estimation of year 2021 emissions following the new methodology.

GRI content index

This report has been prepared with the GRI Standards.

Disclosure Number	Disclosure Title	Location	Omissions
GRI 2: General disclosures			
Organizational profile			
2-1	Organisational details	OP Financial Group in brief, p. 4	
2-2	Entities included in sustainability reporting	OP Financial Group	
2-3	Reporting period, frequency and contact point	1 January–31 December 2022, annually, viestinta@op.fi	
2-4	Restatements of information provided in previous reports	No	
2-5	External assurance	OP Financial Group in 2022 and Sustainability: Independent assurance report	
Activities and workers			
2-6	Activities, value chain and other business relationships	OP Financial Group in 2022 and Sustainability: OP Financial Group in brief, p. 4	
2-7	Employees	OP Financial Group in 2022 and Sustainability: People and Communities p. 32–34, GRI indicators	
2-8	Information about other workers	OP Financial Group in 2022 and Sustainability: People and Communities p. 32–34, GRI indicators	No significant variation.
Governance			
2-9	Governance structure and composition	OP Financial Group Corporate Governance Statement 2022	
2-10	Nomination and selection of the highest governance body	OP Financial Group Corporate Governance Statement 2022	
2-11	Chair of the highest governance body	OP Financial Group Corporate Governance Statement 2022	
2-12	Role of the highest governance body in overseeing the management of impacts	OP Financial Group Corporate Governance Statement 2022	
2-13	Delegation of responsibility for managing impacts	OP Financial Group Corporate Governance Statement 2022	
2-14	Role of the highest governance body in sustainability reporting	OP Financial Group Corporate Governance Statement 2022	
2-15	Conflicts of interest	OP Financial Group in 2022 and Sustainability: Corporate Governance	
2-18	Evaluation of the performance of the highest governance body	OP Financial Group Corporate Governance Statement 2022	
2-19	Remuneration policies for the highest governance body and senior executives	OP Financial Group Corporate Governance Statement 2022	

Disclosure Number	Disclosure Title	Location	Omissions
2-20	Process to determine remuneration	OP Financial Group Corporate Governance Statement 2022	
2-21	Annual total compensation ratio	GRI indicators	
Strategy, policies and practices			
2-23	Policy commitments	OP Financial Group in 2022 and Sustainability: Climate and the Environment, People and Communities, and Corporate Governance	
2-24	Embedding policy commitments	OP Financial Group in 2022 and Sustainability: Climate and the Environment, People and Communities, and Corporate Governance	
2-26	Mechanisms for seeking advice and raising concerns	OP Financial Group in 2022 and Sustainability: Corporate Governance p. 39	
2-27	Compliance with laws and regulations	OP Financial Group in 2022 and Sustainability: Corporate Governance p. 38–40	
2-28	Memberships of associations and advocacy organisations	Financial Group's Year 2022 and Sustainability	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	OP Financial Group in 2022 and Sustainability: Building Finland Together p. 37	
2-30	Number of total employees covered by collective bargaining agreements	OP Financial Group in 2022 and Sustainability: People and Communities p. 33–34, GRI indicators	
GRI 3: Material topics			
3-1	Process to determine material topics	OP Financial Group in 2022 and Sustainability: New Sustainability Programme p. 22–25	
3-2	List of material topics	OP Financial Group in 2022 and Sustainability: New Sustainability Programme p. 22–25	
3-3	Management of material topics	OP Financial Group in 2022 and Sustainability: New Sustainability Programme p. 22–25	
Economic standards			
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	GRI indicators, OP Financial Group's Report by the Board of Directors and Financial Statements 2022	For impacts, the reporting contains descriptions of regional impacts and community investments Item b) does not apply to the calculation of indirect economic impacts significant to OP.
201-2	Financial implications and other risks and opportunities due to climate change	OP Financial Group in 2022 and Sustainability: Climate and the Environment p. 26–31	
201-3	Defined benefit plan obligations and other retirement plans	OP Financial Group's Report by the Executive Board and Financial Statements 2022	
201-4	Financial assistance received from government		OP Financial Group has not received financial assistance from the public sector.

Disclosure Number	Disclosure Title	Location	Omissions
GRI 202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	OP Financial Group in 2022 and Sustainability: GRI indicators	
GRI 203: Indirect Economic Impacts			
203-2	Significant indirect economic impacts	OP Financial Group in 2022 and Sustainability: People and Communities p. 34–36	
	OP1 Number of attendees on financial literacy courses	OP Financial Group in 2022 and Sustainability: New Sustainability Programme p. 22–25	
	OP2 Number of attendees on digital training courses	OP Financial Group in 2022 and Sustainability: New Sustainability Programme p. 22–25	
GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption		<p>a) OP Financial Group in 2022 and Sustainability. No significant corruption-related risks were identified in 2022. Significant operational risks related to corruption in 2022 involved money laundering and sanctions. Identified risks to operations with a critical residual risk involved a shortcoming related to the continuous monitoring of business transactions and a risk of neglect related to CDD information.</p> <p>b) Risk assessments are carried out using a procedural approach, so their precise details or coverage are not available by organisation: The number of risk analyses related to corruption has not been reported.</p>
205-2	Communication and training on anti-corruption policies and procedures		<p>a) and d) Code of Business Ethics, 15 (Governance body of the central cooperative) and 363 (Governance bodies of OP cooperative banks) (The reporting period for training given to governance bodies on managing conflicts of interest and prevention of corruption at OP is from 1 September to 31 August). Information on completed training from 19 October to 31 December 2022: 740 in total (Governance bodies of OP cooperative banks), (Governance body of the central cooperative) – Not available as a course in 2022.</p> <p>b) Code of Business Ethics: 6,482 pers. and 96% of pers. (Central cooperative) 5,372 pers. and 98% of pers. (banks), Managing conflicts of interest and prevention of corruption 2022: 6,455 pers. and 96% of pers. (Central cooperative), 5,353 pers. and 98% of pers. (banks).</p> <p>c) 87% Supplier Code of Conduct.</p>
205-3	Confirmed incidents of corruption and actions taken		No incidents in 2022.
GRI 206: Anti-competitive Behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices		On 15 December 2022, the Finnish Market Court found the Finnish Real Estate Management Federation and companies represented on its Board guilty of prohibited cooperation between competitors (cartel) in the Finnish real estate management services market between 2014–2017. During said period, a person who worked at OP Koti Kainuu real estate agency was a member of the Board of the Finnish Real Estate Management Federation. For this reason, the Market Court has imposed a fine of 65,000 euros on OP Koti Kainuu. The decision is not yet final.

Disclosure Number	Disclosure Title	Location	Omissions
Environmental standards			
GRI 302: Energy			
302-1	Energy consumption within the organisation	OP Financial Group in 2022 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 30, GRI indicators	
302-3	Energy intensity	OP Financial Group in 2022 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 30, GRI indicators	The figure includes all employees (Finland + Baltic countries).
302-4	Reduction of energy consumption	OP Financial Group in 2022 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 30, GRI indicators	
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	OP Financial Group in 2022 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 30, GRI indicators	
305-2	Energy indirect (Scope 2) GHG emissions	OP Financial Group in 2022 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 30, GRI indicators	
305-3	Other indirect (Scope 3) GHG emissions	OP Financial Group in 2022 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 30, GRI indicators	
305-4	Greenhouse gas emissions intensity	OP Financial Group in 2022 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 30, GRI indicators	The figure includes all employees (Finland + Baltic countries).
305-5	Reduction of GHG emissions	OP Financial Group in 2022 and Sustainability: Climate and the Environment, Carbon Neutral OP 2025, p. 30, GRI indicators	
GRI 306: Effluents and Waste			
306-2	Waste by type and disposal method	GRI indicators	Hazardous waste 553 kg. Transportation and preparation before reuse, such as storage, sorting, combining, separation, crushing and baling.
GRI 308: Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria		Environmental criteria have been used for 13% of new suppliers in 2022.
308-2	Negative environmental impacts in the supply chain and actions taken		None; no actions taken. Not reported in accordance with the GRI standards.
Social standards			
GRI 401: Employment			
401-1	Employee turnover	OP Financial Group in 2022 and Sustainability: GRI indicators	OP Financial Group does not calculate personnel turnover rate.
401-3	Parental leave	OP Financial Group in 2022 and Sustainability: GRI indicators	
GRI 402: Labour/Management Relations			
402-1	Minimum notice periods regarding operational changes	OP Financial Group in 2022 and Sustainability: People and Communities p. 32–36	

Disclosure Number	Disclosure Title	Location	Omissions
GRI 403: Occupational Health and Safety			
403-8	Workers covered by an occupational health and safety management system	OP Financial Group in 2022 and Sustainability: GRI indicators	
403-9	Work-related injuries	OP Financial Group in 2022 and Sustainability: GRI indicators	From the database of the non-life insurance company, we collected variables that match the European Statistics on Accidents at Work (ESAW) on the circumstances in which accidents at work occur. The most common causes of accidents at work (ESAW, accidents at work by cause) are slipping, stumbling and falling in various forms.
403-10	Work-related ill health	OP Financial Group in 2022 and Sustainability: GRI indicators	Excluding external workforce in accordance with the principle of prudence. External workforce is not exposed to serious occupational illnesses or accidents.
GRI 404: Training and Education			
404-1	Average hours of training per employee	OP Financial Group in 2022 and Sustainability: GRI indicators	
404-2	Programmes for upgrading employee skills and transition assistance programmes	OP Financial Group in 2022 and Sustainability	
404-3	Percentage of employees receiving regular performance and career development reviews	OP Financial Group in 2022 and Sustainability: GRI indicators	
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	OP Financial Group in 2022 and Sustainability: GRI indicators	
405-2	Ratio of basic salary and remuneration of women to men	OP Financial Group in 2022 and Sustainability: GRI indicators	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken		No reported incidents of discrimination in 2022.
413-1	Operations with local community engagement, impact assessments, and development programmes	OP Financial Group in 2022 and Sustainability: People and Communities p. 32–36	
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	OP Financial Group in 2022 and Sustainability: Corporate Governance p. 40–41	
GRI 415: Public Policy			
415-1	Political contributions		OP Financial Group does not support political parties.
GRI 418: Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	OP Financial Group in 2022 and Sustainability: Corporate Governance p. 40–41	

Independent Assurance Report to the Management of OP Cooperative

This document is an English translation of the Finnish report

We have been engaged by the Management of OP Cooperative to provide limited assurance on selected sustainability indicators (hereafter “Selected Sustainability Information”) presented in OP Financial Group’s annual report for the year ended 31 December 2022.

The Selected Sustainability Information consists of the following indicators:

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

Management’s responsibilities

The Management of OP Cooperative is responsible for the preparation and presentation of the Selected Sustainability Information in accordance with the reporting criteria (hereafter “Reporting Criteria”), and the information and assertions contained within it, i.e. GRI Sustainability Reporting Standards, as well as principles applied in the calculation of financed emissions according to the Partnership for Carbon Accounting Financials (PCAF) Global GHG

Accounting and Reporting Standard (2020). The Management is also responsible for determining OP Cooperative’s objectives with regard to sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibilities

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

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

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants, (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement on Selected Sustainability Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Sustainability Information, and applying analytical and other evidence gathering procedures, as appropriate. In the engagement, we have performed the following procedures, among others:

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

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

Inherent limitations

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

Conclusion

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

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

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

Helsinki, 7 March 2023

KPMG Oy Ab

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APA

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