

UN
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finance
initiative

Principles for
Responsible Banking

Responsible Banking Progress Statement for PRB Signatories



Summary template

OP Financial Group 2024

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>Content</p> <p>Briefly describe your bank's sustainability strategy, and which international, regional or national frameworks and UN Sustainable Development Goals it aims to align with. Note any changes in the reporting year.</p> <p><i>OP Financial Group's sustainability work is guided by its sustainability programme, which' goals have been defined in accordance with the UN Sustainable Development Goals (SDG).</i></p> <p><i>OP Financial Group is committed to the Paris Agreement, which aims to limit the global temperature increase to 1.5 °C. Additionally the Group is committed to complying with the ten principles of the UN Global Compact initiative in the areas of human rights, labour rights, the environment and anti-corruption. OP Financial Group is a Founding Signatory of the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI). Furthermore, OP Financial Group is committed to complying with the UN-supported Principles for Responsible Investment and the UN Principles for Sustainable Insurance. OP Financial Group is committed to the international Partnership for Carbon Accounting Financials (PCAF). In 2024 OP Financial Group joined the Partnership for Biodiversity Accounting Financials (PBAF).</i></p>	<p>Content</p> <p>Briefly describe the bank's most significant impact areas and the steps taken to identify, measure and manage them—including impact analysis results, targets set (including sectors, portfolio coverage, and KPIs), actions taken, and progress against the targets. Where targets have been set, share details of the bank's transition/action plan, and progress made. Explain how the bank addressed interlink-ages between impact areas where possible.</p> <p>Example Progress Indicators</p> <ul style="list-style-type: none"> ▪ % of bank's portfolio covered by the impact analysis and each set target ▪ Updated values of KPIs defined by bank to measure progress against targets <p><i>The themes of the sustainability programme have been chosen based on their materiality to OP Financial Group and its stakeholders. The sustainability programme will be updated in 2025.</i></p> <p><i>As part of CSRD-compliant sustainability reporting, OP Financial Group conducted a double materiality analysis. Double materiality analysis assessed impacts, risks and opportunities (IRO) potentially related to the material sustainability themes. A materiality analysis of ESG risks is performed annually as part of OP Financial Group's ESG risk management.</i></p> <p><i>The main challenges and priorities for OP Financial Group are climate change, biodiversity and local communities. In its double materiality assessment (DMA), OP Financial Group identified both E1 - Climate change and E4 - Biodiversity and ecosystems as material topics. Additionally, a sub-sub-topic for OP Financial Group was identified under theme S3 - Affected communities, which</i></p>	<p>Content</p> <p>Briefly describe how the bank works responsibly with clients and customers in relation to significant impacts, including products and services offered, internal policies and processes and engagement to implement targets/action plans/transition plans to encourage sustainable practices/economic activities. Note any changes in the reporting year.</p> <p>Example Progress Indicators</p> <ul style="list-style-type: none"> ▪ % of clients and/or customers engaged in key sectors in areas of significant impact. ▪ USD sustainable finance volume mobilized and/or as a percentage of the global or sector portfolio <p><i>OP Financial Group uses ESG analysis to assess the environmental, social and governance risks of customer companies and funded projects through ESG factors relevant to their industry. OP Financial Group's Biodiversity Roadmap includes a target for client engagement.</i></p> <p><i>Green and sustainability-linked loans granted by OP Group totalled 8.6 billion euros at the end of 2024. In 2024, OP Corporate Bank published its updated Green Bond Framework 2024 and issued a senior green bond worth EUR 500 million. Additionally, in 2024, OP Financial Group launched an OP-Sustainable Corporate Bond fund, which collected initial investments worth EUR 120 million. The fund is OP Financial Group's first thematic fund that only invests in fixed income instruments.</i></p>

	<p><i>includes supporting local communities. The results of the performed DMA strengthen OP Financial group's previous materiality analysis results.</i></p> <p><i>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 Financial Group published its initial climate transition plan at the end of 2024.</i></p>	
<p>Links & references <u>OP Financial Group's Annual Report 2024</u> p. 4, 64, 10, 91</p>	<p>Links & references <u>OP Financial Group's Annual Report 2024</u> p. 16-21, 318, 619, 297, 97-99, 100, 108 <u>OP Financial Group's Annual Report 2024</u> p. 20, 36-37, 105, 267-270, 618, 275, 290-292, 319, 327</p>	<p>Links & references <u>OP Financial Group's Annual Report 2024</u> p. 9, 36, 112, 292 <u>OP Corporate Bank Green Bond Framework</u></p>

<p>Principle 4: Stakeholders</p>	<p>Principle 5: Governance & Culture</p>	<p>Principle 6: Transparency & Accountability</p>
<p>Content Briefly describe how the bank consults, engages and collaborates/partners with relevant stakeholders for the purpose of implementing the Principles. This could include understanding impacts, setting ambitious targets, advocating for enabling regulatory/policy environments, and creating partnerships that contribute to addressing significant impacts. Note any changes in the reporting year.</p> <p><i>OP Financial Group’s ESG forum gathers the relevant stakeholders OP Financial Group has identified, and they represent different fields and views of OP Financial Group’s stakeholders, such as owner customers, personnel, environmental, social, and financial and business actors. Through the ESG forum OP Financial Group discusses openly with different operators, promotes themes that are important to society, stakeholders and OP Financial Group alike, and listens to parties that might be influenced by OP Financial Group.</i></p> <p><i>The opinions and views of stakeholders are processed and presented in different governing bodies of OP Financial Group as necessary, as well as to the stakeholders themselves. Stakeholders have also been included in OP Financial Group’s double materiality analysis.</i></p> <p><i>OP Financial Group’s due diligence process consists of various functions. Customers, internal stakeholders, third-party experts and other stakeholders have been involved in the functions where necessary.</i></p>	<p>Content Briefly describe the key governance structures in place (Board and Executive level) and related accountability mechanisms to implement the Principles. This could include how governance supports your bank’s management of significant impacts and risks, including target implementation and monitoring of action/transition plans. In addition, briefly describe how a culture of responsible banking is driven internally (e.g. via employee learning & development). Note any changes or progress in the reporting period.</p> <p>Example Progress Indicators</p> <ul style="list-style-type: none"> ▪ Details of remuneration practices linked to sustainability targets. ▪ % of employees trained on responsible banking topics. <p><i>The Board of Directors supervises the management of climate and environmental matters and approves OP Financial Group’s strategic priorities and indicators and policies subject to monitoring, including those related to climate and environmental risks.</i></p> <p><i>Regarding sustainability matters, the Risk Committee monitors the effectiveness of OP Financial Group’s risk appetite and risk management principles, risk policies, and limits, and the related more detailed guidelines that form the whole.</i></p> <p><i>Audit Committee assists the Board of Directors in monitoring, controlling and preparing the efficiency of the financial reporting system, sustainability reporting, internal control, internal audit and risk management systems, in monitoring and controlling the independence of the audit, sustainability reporting audit, and the Auditor and Authorised Sustainability Auditor, and in the preparation of the appointment of an Auditor.</i></p> <p><i>The Remuneration Committee’s legal and statutory duties are to assist the Board of Directors in decisions related to the management and control of the remuneration schemes.</i></p>	<p>Content Provide reference to additional relevant reports, if not listed as references with P1–P5. Briefly note whether/where assurance of sustainability information has been undertaken (optional).</p> <p><i>As of the reporting year 2024, OP Financial Group reports on its sustainability and corporate responsibility in accordance with the European Sustainability Reporting Standards (ESRS) under the EU’s Corporate Sustainability Reporting Directive (CSRD).</i></p> <p><i>OP Financial Group’s sustainability report is prepared on a consolidated basis for the entire OP Financial Group, on the same grounds and restrictions as OP Financial Group’s Financial Statements. The sustainability report is assured according to limited assurance by an independent third party. The same metrics described in this report have been used in the CSRD report.</i></p>

	<p><i>The Nomination Committee's legal and statutory duties include assisting the Board of Directors in the appointment of a Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer and directors directly reporting to the President and Group Chief Executive Officer.</i></p> <p><i>OP Financial Group's ESG Committee supports the management of sustainability and corporate responsibility matters.</i></p> <p><i>For the purpose of implementing the CSRD reporting directive, OP Financial Group established the CSRD steering group in autumn 2024. The steering group determines policies for sustainability reporting and takes a leading role in compiling the report.</i></p> <p><i>In 2024, OP Financial Group introduces a reporting system that supports and automates sustainability reporting. In addition, OP Financial Group has an ESG regulation steering group that reports to the ESG Committee on a quarterly basis.</i></p>	
<p>Links & references OP Financial Group's Annual Report 2024 p. 94, 318</p>	<p>Links & references OP Financial Group's Annual Report 2024 p. 21, 36, 86 -88, 90, 272, 275-276, 291-292, 295, 332, 619, 620</p>	<p>Links & references OP Financial Group's Annual Report 2024 Assurance Report on the Sustainability Report p. 608-609</p>



Supplements templates

**Principle 1:
Alignment**

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

Links & references:

[OP Financial Group's Annual Report 2024](#) p. 4, 64, 10, 91

OP Financial Group is made up of 93 OP cooperative banks and the central cooperative which they own, including its subsidiaries and affiliated entities. OP cooperative banks and therefore the entire OP Financial Group, which employed in 2024 14 602 people in Finland and 144 people in the Baltic countries, are owned by 2,1 million owner-customers.

OP Financial Group's business consists of the following three business segments: Retail Banking (Banking Personal and SME Customers), Corporate Banking (Banking Corporate and Institutional customers), and Insurance (Insurance Customers). Retail Banking segment consists of banking and wealth management services for personal and SME customers at OP cooperative banks and at OP Mortgage Bank and OP Retail Customers plc, which belong to the central cooperative consolidated. Corporate Banking segment consists of banking and wealth management services for corporate and institutional customers. The segment comprises OP Corporate Bank plc's banking. Insurance segment comprises life and non-life insurance business.

OP Financial Group's main area of operation is Finland. In addition, OP Corporate Bank operates in Estonia, Latvia and Lithuania.

Strategy alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

Links & references

OP Financial Group's Annual Report 2024 p. 4, 10, 51, 55, 58.

Responsible business is one of OP Financial Group's strategic priorities. OP Financial Group's sustainability work is guided by OP Financial Group's sustainability programme. The programme's goals have been defined in accordance with the UN Sustainable Development Goals (SDGs) The sustainability programme will be updated in 2025.

At OP Financial Group, sustainability is guided by a number of principles and policies. OP Financial Group is committed to complying not only with all applicable laws and regulations, but also with a number of international initiatives.

OP Financial Group is committed to the Paris Agreement, which aims to limit the global temperature increase to 1.5 °C. OP Financial Group has not been excluded from benchmark values in accordance with the EU's Paris Agreement.

Additionally, OP Financial Group is committed to complying with the ten principles of the UN Global Compact initiative in the areas of human rights, labour rights, the environment and anti-corruption.

OP Financial Group is a Founding Signatory of the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI). Furthermore, OP Financial Group is committed to complying with the UN Principles for Responsible Investment and the UN Principles for Sustainable Insurance.

OP Financial Group is committed to 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.

In 2024, OP Financial Group joined the Partnership for Biodiversity Accounting Financials (PBAF), which aims to promote the financial sector's awareness of biodiversity and introduce new measurement tools.

OP Financial Group's Human Rights Statement and Policy describe our procedures and requirements regarding human rights. OP Financial Group's Biodiversity Roadmap creates a framework for promoting biodiversity at OP Financial Group.

Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

Links & references

OP Financial Group's Annual Report 2024 p. 16-21, 318, 619, 297, 97-99, 100, 108

Stakeholder engagement

OP Financial Group identifies the key ESG themes relevant for OP Financial Group by carrying out several internal and external stakeholder surveys and questionnaires to form the sustainability programme, which is due to be updated during 2025. Thus, the themes of the sustainability programme are chosen based on their materiality to OP and its stakeholders.

The surveys conducted include for instance the following:

- Owner-customer survey*
- Survey of large corporates*
- Qualitative ESG-survey for corporates*
- Customer behaviour research*
- Internal personnel survey*
- Internal stakeholder survey*
- Internal market analysis*

To further develop stakeholder engagement, in 2023 OP Financial Group's ESG forum was founded, which gathers the relevant stakeholders OP Financial Group has identified. The members of the forum represent different fields and views of their stakeholders, such as OP Financial Group's owner customers, personnel, environmental, social, and financial and business actors. OP Financial Group has had one-to-one engagement dialogues and held a joint meeting with the representatives of the member institutions of the ESG forum to identify material themes for the 2025 Sustainability Programme updating and to discuss their expectations for OP Financial Group's sustainability work. Additionally, OP Financial Group has executed a questionnaire themed around local sustainability actions for the owner-customers and thus considered the views of its customers and utilized information from the employee survey to improve and develop its processes and operations.

Human rights due diligence

According to the human rights due diligence process, OP Financial Group regularly assesses human rights risks and any negative human rights impacts that may affect workers in the value chain due to OP Financial Group's operations. OP Financial Group's Human Rights Policy describes the identified salient human rights impacts and the measures for managing them.

Materiality analysis

Beyond our sustainability programme work, OP Financial Group has assessed its operations, including corporate loans and personal customer segment. These are analyzed annually during our materiality analysis, which is part of OP Financial Group's ESG risk management. In the materiality analysis, the materiality of the risks that the Risk Management function and business segments have identified is assessed in relation to OP Financial Group's strategy, business and various sectors. The assets and business identified as risky based on the materiality analysis can thus be addressed in OP Financial Group's strategy process and definition of mitigation measures. The materiality analysis is part of OP Financial Group's framework for the management of ESG risks, and its composition is based on the expectations of the supervisory authorities, and capital adequacy regulations that apply to OP Financial Group's banking operations and instructions issued by the European Banking Authority.

The materiality analysis comprises of several sections, and the greenhouse gas emissions originating from our banking and insurance activities, as well as our effects on biodiversity and ecosystem services are also assessed. Based on a quantitative analysis using the ENCORE tool, loan portfolio distributions and financed emissions per sector, the most significant industries for OP Financial Group from a climate and environmental perspective are agriculture, energy production, real estate, and the industrial sector, and transport sector. Agriculture and energy production are especially material also due to their high financed emissions originating from OP Group's corporate loans to the respective sectors. Based on the analysis on financed emissions, OP Financial Group set emission intensity's

reduction targets for its housing loans and energy sector's corporate loans in 2023, as well as an absolute emission reduction target for agriculture sector's corporate loans.

Overall, based on materiality analysis, the most significant negative impacts identified are climate and biodiversity. Based on the impact analysis, OP Financial Group has identified mitigation of climate change and loss of biodiversity and improvement of financial literacy as targets and included them into OP Financial Group's sustainability programme. Full list of targets can be found in OP Financial Group's sustainability programme. These will also be updated during our 2025 update of the sustainability programme.

Double materiality analysis

As of the reporting year 2024, OP Financial Group reports on its sustainability in accordance with the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive (CSRD). OP Financial Group has executed a double materiality analysis to assess impacts, risks and opportunities (IRO) potentially related to the material sustainability themes. The impacts, risks and opportunities were assessed qualitatively, and material sustainability matters were defined for OP Financial Group based on these assessments. The double materiality analysis was conducted at the Group level, and it covered all OP Financial Group's geographical locations. The themes were assessed from the perspectives of OP Financial Group's own operations, including Corporate Banking, Retail Banking, Asset Management, Insurance and Procurement. The methodology of the double materiality analysis is based on the materials available at the end of 2023 and at the beginning of 2024 – in other words, the ESRS standards and the EFRAG's draft voluntary guidelines concerning the double materiality analysis.

Summary

The main challenges and priorities for OP Financial Group are climate change, biodiversity and local communities. In its double materiality assessment (DMA), OP Financial Group identified both E1 - Climate change and E4 - Biodiversity and ecosystems as material topics. Additionally, a sub-sub-topic for OP Financial Group was identified under theme S3 - Affected communities, which includes supporting local communities. The results of the performed DMA strengthen OP Financial group's previous materiality analysis results.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

Links & references

[OP Financial Group's Annual Report 2024](#) p. 20, 36-37, 105, 267-270, 618, 275, 290-292, 319, 327

OP Financial Group's sustainability programme was updated in 2022, and it outlines targets that are aligned with SMART-principles. The programme contains concrete targets and actions that need to be taken in the next years. The programme will be updated in 2025.

As of the reporting year 2024, OP Financial Group reports on its sustainability and corporate responsibility in accordance with the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive (CSRD). OP Financial Group's sustainability report is prepared on a consolidated basis for the entire OP Financial Group, on the same grounds and restrictions as OP Financial Group's Financial Statements. The sustainability report is assured

according to limited assurance by an independent third party. The same metrics described below have been used in the CSRD report.

Climate change

One of OP Financial Group's sustainability targets is to offer sustainable financing and investment products to customers. This target contributes to SDG 13 – Climate Action. The goal for sustainable financing products is at least 8 billion euros of total commitments by the end of 2025.

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 and halve their emissions by 2030. OP Financial Group will cut 25% of its corporate loan portfolio emissions by 2030 compared to 2022. Besides various sustainable investment and financing products, the range of tools includes investment decisions promoting the achievement of goals and active dialogue with OP Financial Group's clients and investees. OP Financial Group require that large companies subject to high climate transition risk prepare company-specific emission reduction plans by the end of 2025. This target contributes to SDG 13 – Climate Action.

OP Financial Group has created a roadmap for achieving major emission reductions before 2050, especially in Finland, our main market in corporate financing. OP Corporate Bank no longer provides finance for new coal power plants or coal mines, or for companies that plan to build them. Neither do we finance new corporate customers with financial dependence of over 5% on coal as an energy source, measured in net sales.

Based on materiality analysis OP Financial Group has set sector-specific emissions reduction targets in August 2023 for the three most carbon-intensive industries: the energy, agriculture and residential property sectors. Together, these form 90.6 per cent of emissions related to OP Financial Group's credit portfolio.

OP Financial Group has adjusted its policy on financing, insuring and investing in oil and gas exploration and production. Direct equity and fixed income investments by OP Financial Group's mutual funds exclude institutions and companies involved in coal, oil and gas exploration and production. OP Financial Group will not finance or insure new corporate customers that engage in so-called unconventional oil and gas extraction, or the exploration or production of oil or gas in Arctic areas.

In October 2024, OP Asset Management updated its climate goals that take into account both the risks and the opportunities of low-carbon transition. OP Financial Group has the objective of 75% of its direct equity and fixed income investments converging on a net zero path, or having reached net zero, by the end of 2030. Net zero in this sense means parity between the amount of greenhouse gases emitted into the atmosphere and the amount captured. Asset Management is also committed to the principles of responsible investment and Pohjola Insurance to the principles of sustainable insurance. These principles are described in their own reports.

OP Financial Group aim to make own operations carbon neutral regarding emissions from energy and fuels (Scope 1 and Scope 2) by the end of 2025. By the end of 2024, emissions were decreased by 99% compared to reference year 2021 (26,165 tCO₂e). The target includes emissions from OP Financial Group's own properties, generated by heating oil, oil used in stand-by generators, electricity, district heating and district cooling. A key measure is to increase the use of renewable energy. All electricity, district heating and district cooling purchased by OP Financial Group in Finland is generated with renewable energy, and solar power stations are being installed on the roofs of properties owned by the Group. The target is that 25% of properties owned and used by OP Financial Group will have a solar power station by the end of 2030. Renewable energy accounted for 99.3% of OP Financial Group's total electricity consumption in 2024.

OP Financial Group updated its emissions calculation in 2024, due to which the emissions of company

cars owned and managed by OP Financial Group are included in own emissions for the first time (Scope 1 and Scope 2). In addition, the emissions of OP Real Estate Asset Management Ltd's properties were included in OP Financial Group's emissions calculation in 2024.

OP Financial Group published its initial climate transition plan at the end of 2024. The initial climate transition plan includes the policies and objectives approved by the Cooperative's Board of Directors and confirmed by OP Cooperative's Supervisory Council on how OP Financial Group will adapt its operations towards the targets of the Paris Climate Agreement. The objectives of the transition plan for climate change mitigation are covered by the Responsible business priority in OP Financial Group's strategy.

The initial transition plan outlines the key actions and timelines by which OP Financial Group aims to reduce greenhouse gas emissions and direct financing to sustainable development projects. OP Financial Group's sector-specific emissions targets included in the transition plan for energy sector corporate loans and home loans were set based on the emissions reduction paths aimed at net zero emissions by 2050, defined by the International Energy Agency's (IEA) NZE scenarios (Net Zero Emissions by 2050 Scenario). OP Asset Management's net zero targets are also based on the IEA's scenarios. OP Financial Group's fossil fuel policies are a key element of the climate transition plan because giving up fossil fuels plays an important part in achieving the Paris Agreement's 1.5-degree target. Offering sustainable financing and investment products is a way to accomplish OP Financial Group's objectives. In addition, OP Financial Group requires large customers in industries subject to high climate transition risk to prepare company-specific emissions reduction plans by the end of 2025.

Biodiversity

OP Financial Group will also promote biodiversity and the wellbeing of nature. This target contributes to the SDG 14 – Life below water and SDG 15 – Life on land. OP Financial Group conducted a biodiversity assessment in 2022 and published a biodiversity roadmap in 2023. OP Financial Group aims to create a nature positive handprint by 2030. The roadmap includes measures for all key business areas: corporate finance, asset management and insurance. OP Financial Group will also develop the competencies of specialists working with agricultural customers and improve the knowledge of farmers by entering training partnerships. In January, OP Financial Group joined the Partnership for Biodiversity Accounting Financials (PBAF), which aims to promote the financial sector's awareness of biodiversity and introduce new measurement tools. During the financial year, OP Financial Group and the WWF entered a three-year partnership to promote the diversity of Finnish nature.

Supporting local communities, including financial literacy

OP Financial Group provides extensive support for leisure-time activities, culture, sports and other types of associations in Finland. OP Financial Group plays a significant role in promoting wellbeing and equal opportunities for people at local community level and in creating positive impacts. In cooperation with its partners, OP Financial Group fosters citizens' financial and digital skills. Additionally, OP facilitates summer employment for thousands of youngsters each year by donating young employees' pay to associations that agree to provide summer jobs. In addition, OP facilitates leisure-time activities for children and young people through its partners.

OP Financial Group has promoted financial literacy skills, our goal is to reach 70 000 children and youth through financial literacy training events and projects organised by OP cooperative banks per year. In 2024, around 71 000 people was reached. The goal was to reach 20 000 customers in training events on digital skills every year. In 2024, 37 000 people was reached. In summer 2024, OP Financial Group provided more than 2,000 young people with a summer job through its campaign "Summer jobs paid for by OP". OP cooperative banks donated funding to non-profit associations for hiring young people aged from 15 to 17 for two weeks.

Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Links & references

[OP Financial Group's Annual Report 2024](#) p. 9, 112, 292

OP Financial Group takes social responsibility and environmental aspects into consideration in the financing decisions. OP Financial Group engages in active dialogue with clients, which includes ESG issues. ESG analyses are conducted to provide an overview of the business operations of corporate customers and to allow us to identify our customers' business risks and offer strategic support for business development.

OP Financial Group uses ESG analysis to assess the environmental, social and governance risks of customer companies and funded projects through ESG factors relevant to their industry. ESG analysis is part of the assessment of a company's creditworthiness and to assess companies' ability to mitigate critical ESG risks. In addition, ESG analysis helps us to recommend suitable sustainable corporate finance for our customers. The amount of sustainable financing is measured in the sustainability programme. In 2024, the amount was 8.6 billion euros.

OP Financial Group's Biodiversity Roadmap includes a target for client engagement. OP Financial Group will enhance understanding of the customers' key biodiversity impacts and their effects on the overall business, as well as help the customers to set targets for promoting biodiversity. OP Financial Group will follow a group of target-setting companies and their performance in key sectors identified in the portfolio, and additionally discuss biodiversity goals with 200 corporate customers (that are considered most material based on our exposures) on the sectors assessed as most material for our business (agriculture/food industry, forest industry, energy, real estate and construction, and transport).

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

Links & references

[OP Financial Group's Annual Report 2024](#) p. 9, 36

[OP Corporate Bank Green Bond Framework](#)

Responsible business is one of OP Financial Group's strategic priorities. OP Financial Group leverages the opportunities provided by climate and environmental perspectives in our product development. OP Financial Group aims at offering sustainable financing and investment products to its customers. Green and sustainability-linked loans granted by OP Group totalled 8.6 billion euros at the end of 2024.

In 2024, OP Corporate Bank published its updated Green Bond Framework 2024 and issued a senior green bond worth EUR 500 million. In prior, OP Financial Group has issued four green bonds: the EUR 500 million Green Bond issued in 2024, the EUR 500 million green senior non-preferred bond issued in 2022, OP Mortgage Bank's EUR 750 million green covered bond issued in 2021, and the EUR 1,000 million green covered bond issued in 2022.

In 2024, OP Financial Group launched an OP-Sustainable Corporate Bond fund, which collected initial investments worth EUR 120 million. The fund is OP Financial Group's first thematic fund that only invests in fixed income instruments. In 2023 OP Financial Group launched a green loan to SMEs and housing companies granted for green investments that enable businesses to reduce their environmental impact, and EIF guarantee granted on the basis of a green business model or for a green investment.

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Links & references

[OP Financial Group's Annual Report 2024](#) p. 94, 318

As Finland's largest financial services group, OP Financial Group maintains an open and continuous dialogue with various stakeholders. Stakeholder engagement is deeply embedded into the cooperative business model. Through this dialogue, one of the main principles and goals of stakeholder engagement is to identify areas of development in the corporate responsibility work of OP Financial Group. For OP Financial Group, it is important to be a partner who respects the values of its stakeholders and is a reliable operator.

OP Financial Group identifies the key ESG themes relevant for OP Financial Group by carrying out several internal and external stakeholder surveys and questionnaires.

The ESG forum gathers the relevant stakeholders we have identified, and they represent different fields and views of our stakeholders, such as our owner customers, personnel, environmental, social, and financial and business actors. Through the ESG forum OP Financial Group discusses openly with different operators, promotes themes that are important to society, stakeholders and OP Financial Group alike, and listens to parties that might be influenced by OP Financial Group. The ESG forum brings together representatives of relevant stakeholder groups ranging from owner-customers, employees, the environment and social responsibility to the different segments of the financial and corporate world.

The views of stakeholders are taken into consideration when making different decisions related to business and sustainability and corporate responsibility work, such as when OP Financial Group's sustainability programme is updated and implemented in different business units and OP cooperative banks. Stakeholder views are also considered in product and service cooperation and when planning communications, for example. The opinions and views of stakeholders are processed and presented in different governing bodies of OP Financial Group as necessary, as well as to the stakeholders themselves.

Stakeholders have also been included in OP Financial Group's double materiality analysis. OP Financial Group's due diligence process consists of various functions. Customers, internal stakeholders, third-party experts and other stakeholders have been involved in the functions where necessary.

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Links & references

[OP Financial Group's Annual Report 2024](#) p. 86-88, 90

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

Appointed by the Executive Management Team, OP Financial Group's ESG Committee supports the management of 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. The ESG Committee is also tasked with ensuring that sustainability and corporate responsibility matters are realised in a high-quality manner that fulfils the expectations of customers and other stakeholders. The work of the ESG Committee takes account of official regulations, OP Financial Group's operating principles, and decisions approved by the Executive Management Team, Board of Directors and the Supervisory Council. The members of the committee represent different business segments of OP Financial Group.

In its remuneration, OP Financial Group complies with provisions based on EU and national laws and guidelines issued by the European Central Bank, the Finnish Financial Supervisory Authority and other regulators. The Group's remuneration policies are based on laws, provisions and recommendations applicable to the financial sector and on the Finnish Corporate Governance Code. Also, OP Financial Group has a public document on ESG considerations in employee remuneration which outlines the guidelines with which ESG is considered.

In each quarter, OP Cooperative's Executive Management Team and Board of Directors discuss a review of the current ESG and corporate responsibility themes. As of 2025, the Risk Committee under the Board of Directors also goes through the review. The review includes a status report on the progress of goals and metrics defined in OP Financial Group's sustainability programme, and reports regarding progress towards the requirements set by regulatory expectations, and regulation concerning the management of climate and environmental risks. The Group ESG Function is responsible for preparing the quarterly review and determining the themes that should be covered. The Group ESG Function prepares the review in cooperation with business units.

Regarding sustainability matters, the Risk Committee monitors the effectiveness of OP Financial Group's risk appetite and risk management principles, risk policies, and limits, and the related more detailed guidelines that form the whole. Regarding sustainability matters, the Risk Committee further assesses how OP Financial Group's performance and capital base would react to external and internal events and trends in external change drivers in different scenarios with the existing risk profile, especially in various stress scenarios. Based on the Risk Management Committee's reporting, the Committee also assesses the applicability and comprehensiveness of scenarios used particularly in risk management (macroeconomic scenarios, transformative scenarios related to external change

drivers, scenarios related to unexpected events) for use in OP Financial Group's various revenue logics. The Committee also assesses the impact of climate-related and environmental risks on OP Financial Group's customers, as well as assessing the implementation of OP Financial Group's sustainability programme.

The Audit Committee assists the Board of Directors in monitoring, controlling and preparing the efficiency of the financial reporting system, sustainability reporting, internal control, internal audit and risk management systems, in monitoring and controlling the independence of the audit, sustainability reporting audit, and the Auditor and Authorised Sustainability Auditor, and in the preparation of the appointment of an Auditor.

The Remuneration Committee's legal and statutory duties are to assist the Board of Directors in decisions related to the management and control of the remuneration schemes. The Committee also issues a recommendation of remuneration applicable to the governing bodies of OP cooperative banks. The terms and conditions of OP Financial Group's performance-based bonus scheme are included in the terms and conditions of OP Financial Group's remuneration scheme, on which the Board of Directors of OP Cooperative decides annually. OP Cooperative's Supervisory Council confirms the remuneration principles applied at OP Financial Group upon proposal by OP Cooperative's Board of Directives.

The Nomination Committee's legal and statutory duties include assisting the Board of Directors in the appointment of a Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer and directors directly reporting to the President and Group Chief Executive Officer.

For the purpose of implementing the CSRD reporting directive, OP Financial Group established the CSRD steering group in autumn 2024. The steering group determines policies for sustainability reporting and takes a leading role in compiling the report. In 2024, OP Financial Group introduces a reporting system that supports and automates sustainability reporting. In addition, OP Financial Group has an ESG regulation steering group that reports to the ESG Committee on a quarterly basis. In 2024, progress on the implementation of the sustainability report was reported regularly to the Audit Committee of OP Cooperative's Board of Directors on a quarterly basis.

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references

[OP Financial Group's Annual Report 2024](#) p. 21, 87, 295, 619, 620

One of the goals of the OP Financial Group sustainability programme is to increase the personnel's sustainability competencies. ESG-related study modules and training courses were carried out intended for employees and bank boards during 2023. 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, OP Financial Group ensures that the competencies related to regulation are deepened and maintained by active communication and internal control.

The diversity of governing bodies is fostered the same way the diversity of our personnel is fostered: 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.

In 2024, corporate sustainability reporting training was organised for the Board of Directors and Supervisory Council. In addition to this, the Board of Directors and management regularly go through

training on sustainability matters to promote their expertise.

OP Financial Group will further improve the sustainability competencies of personnel and governing body members by offering ESG training.

Target: OP Financial Group will increase training offering to various target groups

Target: OP Financial Group's personnel will complete training in the sustainability programme during 2024. (In 2024 17,272 people, The average pass rate was 90.9%)

The various components of remuneration are taken into account the realisation of the principles in OP Financial Group's Equality and Non-discrimination Plan. The key priority is to ensure equality and equity among different age groups and genders. Actions concerning the implementation of OP Financial Group's remuneration scheme are performed in accordance with the Code of Business Ethics adopted by OP Cooperative's Board of Directors and approved by the Supervisory Council OP. In accordance with OP Financial Group's Code of Business Ethics, OP Financial Group pays attention to each employee's age and life situation in leadership, organisation, work planning and development activities. OP Financial Group's remuneration policy is fair and the criteria under its remuneration schemes are transparent, because the Group complies with the joint remuneration principles and pay policy. Their content is assessed regularly, and their implementation is reviewed and monitored on a regular basis. In all decisions related to recruiting, career development and remuneration, the most important selection criteria are the person's performance, qualifications and competencies.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & references

[OP Financial Group's Annual Report 2024](#) p. 36, 272, 275-276, 291-292, 332

OP Financial Group has integrated environmental, social and governance (ESG) themes into lending and OP Financial Group will assess in all significant loan decisions how their corporate customers have prepared for risks caused by the ESG factors. OP Financial Group uses ESG analysis to assess the environmental, social and governance risks of customer companies and funded projects.

OP Financial Group will not provide finance for new coal power plants or coal mines, including companies that plan to build them. Neither will develop new corporate finance relationships with customers whose financial dependence on coal used for power generation accounts for over 5% of their net sales.

OP Financial Group has adjusted its policy on financing, insuring and investing in oil and gas exploration and production. Direct equity and fixed income investments by OP Financial Group's mutual funds exclude institutions and companies involved in coal, oil and gas exploration and production. OP Financial Group will not finance or insure new corporate customers that engage in so-called unconventional oil and gas extraction, or the exploration or production of oil or gas in Arctic areas.

When granting corporate financing, OP Financial Group follows the Credit Policy for Corporate and Institutional Customers, and the policies and guidelines they describe. The Credit Policy is approved by OP Cooperative's Board of Directors. The credit policy describes in more detail how ESG factors are considered in financing and decision-making. As part of corporate finance, OP Financial Group conducts a company-specific ESG analysis based on sector-specific materiality. The principles for ESG analysis are described in their own guidelines, approved by Corporate Finance's management. Climate change is taken into account in the Banking Risk Policy and Credit Policy of Corporate and Institutional Customers by setting restrictions for financed projects such as new coal plants or mines, or oil and gas exploration and production.

As part of corporate finance, OP Financial Group conducts a company-specific ESG analysis based on sector-specific materiality. In practice, corporate customers are classified into ESG classes based on industry exposure to ESG factors. If the ESG class and the total exposures of a group of connected clients are significant, an ESG analysis is conducted to support the financing decision. The ESG analysis helps identify material themes related to biodiversity in the customer's business operations. The need for an ESG analysis is regularly assessed during the customer relationship. In addition to a separate ESG analysis, the credit analyses of corporate customers covered by the specialist rating model include an ESG section if the exposures of the group of connected clients are significant. The section provides a compact description of the sector's ESG risks that are material for the credit risk, potential company-specific ESG risks and the company's measures to prepare for such risks.

OP Financial Group has drawn up a Human Rights Statement and Human Rights Policy. The Group respects all recognised human rights. The Human Rights Statement includes the requirements and expectations that OP Financial Group has set for itself and actors in its value chains. OP Financial Group is committed to perform remediation actions if its operations have adverse human rights impacts.

A whistleblowing channel is available for reporting any suspicions regarding misconduct and violations of policies and regulation.

Principle 6:
Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report

As of the reporting year 2024, OP Financial Group reports on its sustainability and corporate responsibility in accordance with the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive (CSRD).

OP Financial Group's sustainability report is prepared on a consolidated basis for the entire OP Financial Group, on the same grounds and restrictions as OP Financial Group's Financial Statements. The sustainability report is assured according to limited assurance by an independent third party. The same metrics described in this report have been used in the CSRD report.