


# OP GRI Corporate Social Responsibility Data 2014

Intelligently reforming, customer-owned OP



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OP Financial Group's Corporate Social Responsibility Report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Besides the GRI-G4 Guidelines, consideration was also taken of the GRI Financial Services Sector Supplement (FSSS). OP Financial Group's corporate social responsibility reporting also comprises the information required by the United Nations Global Compact, with regard to the promotion of principles related to human rights, labour, the environment and anti-corruption activities.

OP Financial Group's GRI reporting contains all information and indicators, identified by a materiality assessment as significant to stakeholders and the Group's business operations. Standard disclosures are included in the following sections: the OP Year 2014 report, this GRI Corporate Social Responsibility Data Annex, Report by the Executive Board and Financial Statements of OP Financial Group, and OP Financial Group's Corporate Governance Statement 2014. The GRI content index, prepared in accordance with the GRI FSSS, indicates where, in OP Financial Group's annual report, the disclosures referred to in the GRI Guidelines can be found. The GRI Content Index can be found at the end of the report.





GRI PERFORMANCE  
INDICATORS

## GRI performance indicators

	2012	2013	2014
G4-EC3 Coverage of defined benefit pension plan in excess of obligations (EUR mill.) <sup>1</sup>	-6	-4	-420
G4-10 Number of company staff	13,290**	12,856	12,356
Permanently employed	12,468**	12,078	11,705
Employed for fixed term	822**	778	651
G4-10 Number of company staff			
Full-time	12,176**	11,898	11,423
Part-time	1,114**	958	933
G4-11 Percentage of total employees covered by collective bargaining agreements	92%**	87%	87%
G4-54 Difference between highest and median annual earnings (only in Finland)	*	22	21
G4-55 Change in highest and median annual earnings (only in Finland)	*	0.9%	-0.7%
G4-LA1 New employee hires	*	1,445**	1,402
G4-LA1 Terminated work relationships	*	2,720**	1,907
G4-LA1 Terminated permanent work relationships	*	1,643**	964
G4-LA1 Turnover of permanent employees <sup>3</sup>	6.1**	10.1%**	8.1%
G4-LA3 Return to work rate after parental leave (only in Finland)	*	97%	95%
G4-LA3 Retention rate after parental leave (only in Finland)	*	94%	95%
G4-LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	*	88%	87%
G4-LA6 Percentage of sick days of regular working hours (only in Finland)	3.6%	3.6%	3.5%
G4-LA9 Percentage of training expenses of the payroll bill (only in Finland)	2.5%	2.0%	2.0%

	2012	2013	2014
G4-LA11 Percentage of employees receiving regular performance and career development reviews	87%	88%	***
G4-LA12 Breakdown of employees by gender			
Male	27%**	27%	27%
Female	73%**	73%	73%
G4-LA12 Breakdown of employees by age group			
Under 30 years	16%**	15%**	13%
30-39 years	25%**	27%**	27%
40-49 years	23%**	21%**	21%
Over 49 years	36%**	37%**	39%
G4-LA12 Breakdown of employees by employee category			
Management	4%**	4%**	5%
Supervisors	10%**	10%**	10%
Experts	30%**	28%**	28%
Employees	56%**	58%**	57%
G4-LA12 Average age of staff	43.1**	43.5	43.8
EN3 Energy consumption (GJ) <sup>2</sup>	205,900	179,483	166,044
EN15 and 16 Greenhouse gas emissions (tons)	41,519	42,924	45,523

<sup>1</sup> OP Financial Group's Financial Statement, Note 40, Other assets

<sup>2</sup> Excl. business transfers.

<sup>3</sup> Comprising premises used by the central cooperative consolidated and data centers in Helsinki.

\* These indicators have not been reported before 2013, so no comparison data is available.

\*\* Excluding OPKK real estate agencies.

\*\*\* Not measured in 2014.

# Management approaches to corporate social responsibility

Corporate social responsibility at OP Financial Group is based on cooperative values, solid capital adequacy and capable risk management. Strategic CSR management is the responsibility of the Executive Board of OP Cooperative, which determines the policies on ethical matters. On the OP Cooperative Executive Board, CSR comes under the Chief Communications Officer's remit.

At OP, corporate social responsibility management takes place as part of ordinary operational management. The purpose of OP Financial Group's CSR Programme is to direct and coordinate actions related to CSR and to collect results on the main areas of CSR at the group level. CSR performance is monitored, for example, through KPIs (Key Performance Indicators).

OP Financial Group's business management practices mostly cover actions related to CSR management. One of the advantages of this integrated approach is that CSR issues are linked to existing management processes. The management approaches to corporate social responsibility at OP Financial Group comprise the following elements:

- OP Financial Group's Corporate Governance Principles
- OP Financial Group's CSR Policies
- UN Global Compact principles
- Code of Business Ethics
- OP Financial Group's Corporate Social Responsibility Programme

The main management approaches are defined in OP Financial Group's Corporate Governance Principles. Good banking and insurance practices guide us to comply with applicable laws, standards and regulations and to adhere to the principles of honest and fair

operations. The Operational Risk and Compliance function also oversees risks and compliance related to CSR, and it bears overall responsibility for providing advice on ethical principles. The function operates independently of the business areas.

The CSR aspects identified as material for OP are presented in the materiality assessment and the GRI Content Index. OP's operations, products, services and business relations involve many significant economic, social and environmental impacts. OP as a whole has major direct and indirect economic impacts on both the Finnish society as a whole and on local economies.

With regard to social responsibility, some of the major impacts are related to personnel and working conditions, because OP Financial Group is a major employer. The Group's human resource management practices cover all the CSR aspects identified as material. Impacts related to personnel and working conditions are led through strategic HR policies and OP Financial Group's personnel policy. The Group's practical management tools include OP Financial Group's principles of good management, the remuneration system and policy, a common equal opportunities framework plan, and competence development models.

OP's own operations do not involve major direct human rights risks or impacts. Indirectly, however such impacts may arise from the supply chain or from the operations of investees and financed parties. In accordance with its commitment to the Global Compact, OP seeks to prevent human rights violations and support the elimination of child labour and forced labour throughout its business operations and supply chain. With regard to OP Financial Group, the most important social impacts are related to active fighting of financial crime and abuse, including corruption, and the removal of anti-competitive behaviour. The main CSR impact of OP's products and services is related to the confidentiality of customer data and to data security. Product and service information and marketing practices may also comprise significant social impacts.

OP's products and services may involve economic, social and environmental impacts. Major new products, services and operating models or significant changes to existing ones are, when necessary, assessed by OP Cooperative's Executive Board, which ultimately decides on whether they should be adopted. The Executive Board is informed of significant realised risks as a part of monthly risk reviews. Risk maps, updated annually, are used to identify the critical risks affecting operations, including environmental, social and governance (ESG) risks. These maps are used to conduct an analysis on the basis of which the executive management are informed of critical phenomena. In 2014 the Executive Board was informed of reputation-related risk effects within the scope of CSR. The effectiveness of the risk and capital adequacy management efforts of OP and its entities is evaluated in an annually updated ICAAP report. In addition, internal audits are conducted each year to examine the state of internal controls and capital adequacy.

The main environmental impacts caused by OP arise from energy consumption and greenhouse gas emissions. In its own operations, OP develops the management of significant CSR aspects by adopting Green Office systems and LEED requirements. With responsible products and services, OP can influence environmental impacts arising outside of the scope of its own operations, which are often significantly larger than those caused directly by the Group.

The environmental impacts of companies that supply OP with goods and services may also be significant, and therefore environmental requirements set for suppliers play an important role in CSR management. OP Financial Group's procurement functions use Group-level framework agreements wherever applicable. These agreements require that suppliers comply with OP Financial Group's Code of Business Ethics and the Global Compact, as well as all applicable laws and regulations. The supplier management risk survey includes an assessment of the supplier's CSR risks, on the basis of which an action plan for reducing and managing said risks is made where necessary.



OP is committed to responsible marketing and advertising. The Group complies with marketing legislation and the self-regulation guidelines of international organisations, including those of the International Chamber of Commerce (ICC). OP also abides by the marketing guidelines of the Consumer Agency and the Financial Supervisory Authority. In marketing, OP aims to provide all information on products and services that may be of importance to customers when making decisions. Marketing directed at children and young people is highly restricted. OP takes account of this group's general inexperience and limited legal capacity.

## Code of Business Ethics

The principles of corporate social responsibility at OP are summarised in a Code of Business Ethics. The code provides an ethical foundation for everyone working at OP Financial Group, whatever their role, position or location. These principles, which apply to the whole Group and its administration, are firmly based on our mission and values and form an important part of the responsibility of our operations. The Code of Business Ethics is available on the OP website.

To ensure the adoption of the code throughout the Group, an online course has been launched in seven languages to make sure that almost every single OP employee is able to take it in his or her mother tongue. By the beginning of 2015, 88 per cent of Group employees had completed the online course and committed to following the code. Continuous training is provided in order to enhance employees' expertise, giving a wide range of training opportunities in various areas of banking, insurance and asset management, including insider regulations, ethics, data security and legislation.

Anyone wishing to discuss the application of the Code of Business Ethics, or noticing practices that violate the Code of Business Ethics, can discuss it with their line manager, with HR or with Compliance. Confidential messages can also be sent on the matter to the Group's Chief Audit Executive. Situations of actual or suspected conflicts of interest should be reported to both line manager and the Operational Risk and Compliance function or only to the latter, in which case the matter is handled with anonymity for the person making the report. If continuous or significant violations of the Code of Business Ethics are observed, the Group Supervisory Board reprimands the Board of Directors of the relevant group entity.

## International commitments

In addition to laws and regulations, OP undertakes to comply with international commitments that guide operations. At the end of 2011, OP signed the Global Compact, which binds the Group to ten United Nations principles in the areas of human rights, labour, the environment and anti-corruption. The Global Compact principles have been integrated into OP's new supplier contracts and online training has been launched for personnel on business ethics and CSR, observing the Global Compact principles. More information on the Global Compact principles and their application at OP is provided at the end of this report.

OP Fund Management Company and Pohjola Asset Management were among Finland's first asset management companies to sign the UN Principles for Responsible Investment in 2009. Since then, the Group has developed responsible investment practices with even greater determination, and participated in wider development efforts in the sector. Both companies are founding members of Finland's Sustainable Investment Forum (FINSIF). OP also belongs to the Corporate Social Responsibility working group of the Federa-

tion of Finnish Financial Services, Finnish Business & Society (FiBS) and the Corporate Social Responsibility and Co-operative Affairs Working Group of the European Association of Co-operative Banks (EACB).

OP has actively followed the development of guidelines intended for the financial sector as part of the OECD Guidelines for Multinational Enterprises. The OECD guidelines comprise voluntary CSR principles and standards, as well as instructions for applying legislation to international business operations.

As in previous years, in 2014 OP responded to the CDP survey, which gathers information from large corporations on their actions to combat climate change and reduce greenhouse gases. The CDP aims to draw the attention of companies to their environmental responsibility. In 2014, OP's disclosure score in the survey was 85/100, which was above the average.

## GRI aspects in the financial sector

The GRI Financial Services Sector Supplement specifies and provides guidance on special issues related to the CSR reporting of banks and insurance companies, including a responsible product and service portfolio and responsible investment and ownership. With regard to the product and service portfolio, responsibility refers to the reporting organisation's activities and initiatives aimed at developing and marketing products and services that meet responsibility criteria.



## Auditing

### *Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures (FS9)*

OP Financial Group develops its CSR audit methods as part of its overall management approaches. Because CSR is integrated into daily operations, the fulfilment of environmental and social responsibility policies and related risks are assessed within ordinary business processes. Compliance with CSR requirements is evaluated for instance when assessing credit risk, approving new products, business models and systems, and monitoring business ethics. In accordance with our procurement guidelines, we require our contractual partners to comply with our CSR principles. CSR risks and compliance are assessed as a part of supplier risk assessment.

All direct, active equity and corporate bond investments made by OP Fund Management Company and Pohjola Asset Management are reviewed biannually by an external party. The purpose of this review is to ensure that the investment portfolios do not include companies involved in confirmed violations of international standards, such as the UN Global Compact. If confirmed violations are discovered in the investment portfolio, the Group seeks to influence the company in question to rectify its conduct. An alternative response to such violations is to sell the assets. When making new investments, the portfolio manager will also examine the company for violations of international standards.

## Active ownership

### *Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issue (FS10) and Voting policies (FS12)*

Active ownership is an integral part of responsible investment. OP Fund Management Company, which forms part of the Group's asset management business, exercises the voting rights of the mutual funds managed by it, in accordance with the ownership policy approved by the company's Board of Directors. The Group does its best to discuss grievances directly with the companies prior to AGMs, so that it will be possible to support the Board's proposal if it comes to voting. OP Fund Management Company implements its ownership policy by actively participating in the general meetings of Finnish companies, in particular. In 2014, OP Fund Management Company was represented in 43 AGMs or Extraordinary General Meetings. Moreover, a representative of OP Fund Management Company was appointed to the nomination committee of one company in 2014.

One of the most important ways for OP to obtain information and assess the responsibility of companies are meetings with the companies' executives. At year-end 2014, the OP funds whose portfolios are managed by Pohjola Asset Management contained shares from 60 Finnish listed companies. Pohjola Asset Management discussed environmental and social responsibility issues with 22 per cent of these during the year.

Pohjola Asset Management and OP Fund Management Company also have different ways of influencing companies. If their investments include companies with violations of international standards or other operations which are not responsible or in line with the investor's long-term interests, Pohjola Asset Management and

OP Fund Management Company may engage with them to address the situation. If this does not produce the desired effect, the Committee for Responsible Investment may decide to divest. In 2014, the Committee made one such decision.

## Percentage of assets subject to positive and negative environmental or social screening (FS 11)

### *Positive screening*

OP Financial Group encourages its investees and partners to operate responsibly and in line with international standards. As a rule, the most attractive potential investments for any fund are issuers whose operations are irreproachable in terms of international ethical standards.

Positive screening is particularly highlighted in the OP Climate and OP Clean Water funds. The OP Climate Fund includes companies that will be in a good position when societies and businesses adapt their energy solutions and use of materials towards lower-carbon alternatives. OP Clean Water, on the other hand, invests in companies operating sustainably in the water sector, for example the development of water-saving technologies, prevention of pollution and construction of reliable water infrastructures. At the end of 2014, the assets under management in these funds totalled EUR 183.9 million or 2.7 per cent of the total AuM of OP Fund Management Company's equity funds.

### *Negative screening*

OP Financial Group will not make active direct investments in companies producing anti-personnel mines or cluster weapons as banned by the Ottawa (1997) and Oslo (2012) Treaties. Companies that violate international standards may also be removed from the lists of potential investment targets if they do not change their operations despite attempts to influence them.

In 2013, OP Fund Management and Pohjola Asset Management initiated collaboration with the Swedish company GES Investment Service for the purposes of negative screening. GES Investment Service produces continuous analysis of the fulfilment of international standards by investment targets, for use by investors. Additionally, GES Investment Service screens OP Group's investments twice a year in case of violations. This screening applies to all direct equity and corporate bond investments managed by Pohjola Asset Management, which at year-end 2014 totalled EUR 14.6 billion in value, i.e. 35.5 per cent of all assets managed by Pohjola Asset Management. The investments of insurance and pension corporations belonging to OP Financial Group are screened for violations of international standards as part of the responsible investment process of Pohjola Asset Management.

## Economic responsibility

Economic responsibility encompasses both the economic sustainability of operations and taking account of the wider economic impacts on society and the company's stakeholders. In the financial sector, economic responsibility is of key importance, since responsibility for customers and the role of companies as capital and insurance providers are emphasised during difficult economic times. More information on the most essential GRI indicators for economic responsibility is available in the OP Year 2014 report.

## Other economic impacts

### *Risks and opportunities due to climate change (G4-EC2)*

As a financial sector operator, OP and its products and services have a relatively minor impact on climate change. Nevertheless, environmental risks, including climate risks, can have direct impacts on OP's operations, as well as indirect impacts through effects on customers and stakeholders.

Regulations aiming to combat climate change may raise the cost of energy consumption for both OP and its industrial customers, for whom energy prices can be a crucial element in terms of profitability and solvency. It also increases pressure on OP to make energy savings in its own operations.

Extreme weather phenomena as operational risks are included in OP's own continuity planning. Concerns related to climate change may also pose reputational risks if any conflicts with climate change prevention efforts should be identified in the operations of OP, its partners or customers.

On the other hand, the general improvement in environmental awareness generates new business opportunities, for example in the form of investment products that emphasise environmental responsibility, and diverse property insurance products. Our non-life insurance business continuously monitors the development of risks posed by climate change from the viewpoint of our existing and future insurance products. Our aim is to cover all insurable risks as extensively as possible, also in constantly changing circumstances.

### *Coverage of the organization's defined benefit plan obligations (G4-EC3)*

At OP Financial Group, retirement benefits are determined in accordance with pension legislation and the Group's own pension plans. Statutory pension cover for OP Financial Group companies' employees is arranged through pension insurance taken out with OP Bank Group Pension Fund or insurance companies. A few companies within OP Financial Group have provided supplementary pension cover for their employees through OP Bank Group Pension Fund or an insurance company. Further information is presented in OP Financial Group's Financial Statements, note 40 Provisions and other liabilities.

## Environmental responsibility

### *Carbon footprint, greenhouse emissions intensity and reduction measures (G4-EN6, EN15-19)*

The operations of OP Financial Group have both direct and indirect environmental impacts. OP Financial Group aims to reduce the environmental impacts of its operations with regard to energy, waste and materials, and to systematically develop its environmental management practices. Additionally, OP is an indirect opinion leader in encouraging customers to take environmental impacts into account when making financing, insurance and investment decisions, and in recommending the use of e-services and electronic documents. In 2014 for instance, insurance policy documents were actively replaced with electronic versions and 234,000 customers adopted electronic insurance mail (2013: approximately 200,000). As a result of digitalisation, the abbreviation and cutting the amount of printed materials, the Group reduced the amount of insurance mail sent to customers by 7.6 million pages from 2013.

In 2014, the OP Cooperative changed its company car policy by lowering the CO<sub>2</sub> emission limit from 170 to 150. At the beginning of 2014, the average CO<sub>2</sub> emissions of company cars was 146 g/km, and roughly 100 cars were replaced with more environmentally friendly models, which reduced average CO<sub>2</sub> emissions to 137 grams per kilometre. Since our company cars drive approximately 18,000 km on average each year, these measures reduced emissions by an estimated 16.2 tonnes of CO<sub>2</sub>.

The measures carried out in connection with the LEED certification of Vääksyntie 2 and the A building of the Vallila block were realised in 2014. In addition, preparations were made for the certification of Vääksyntie 4 and the H building, slated for implementation in 2015. The energy efficiency of the Lapinmäentie property was improved by measures such as enhancing the use of space and further optimisation of the operating times of systems.



The use of video conferencing equipment spread quickly at OP in 2014. One-to-one instant messaging was by far the most common tool, but slightly more than 100,000 voice or video meetings between three or more people were also held, which amounts to double the number of such meetings in 2013. The reduction of travel for meetings significantly improves work efficiency and reduces transport emissions.

OP Financial Group's carbon footprint (Scopes 1+2+3) in 2014 totalled approximately 45,523 tonnes carbon dioxide, i.e. 3.7 tonnes per person. Of the total amount, 81 per cent was caused by the electricity and heat consumption of offices, six per cent by vehicles, three per cent by other business travel, and three per cent by paper use. The margin of error is 8.5 per cent (2013: 11.5%). The reduction in the margin of error is due to more comprehensive base data and more accurate emission factors. The Group's objective is to reduce its carbon footprint each year. The direct greenhouse gas emissions from OP's own operations (Scopes 1+2) totalled 38,914 CO<sub>2</sub>e-tonnes or 3.1 tonnes per person.

#### *Energy consumption (G4-EN3), Energy intensity (G4-EN5)*

The total energy consumption of OP Financial Group central cooperative consolidated functions in Helsinki equalled 166,044 GJ (179,483 in 2013). The energy intensity, or total energy consumption per employee, of these premises amounted to 64.5 GJ. Omasairaala is included in the calculations as of 2014. The change in electricity consumption was also due to the OP Financial Group's Vallila 2015 property development project, in which old premises in the Vallila block have been renovated or demolished to create new, more efficient buildings. The use of district cooling has reduced the electricity consumption of the Vallila block. Testing of back-up generators in the Lapinmäentie and Vallila properties consumed approximately 1,400 litres of fuel.

#### *Other greenhouse emissions caused by indirect energy consumption (G4-EN17)*

Of the scope 3 emissions listed in the GHG protocol, OP Financial Group accounts for the emissions caused by business travel, mailing, paper use, waste management and the energy consumption of external data centres. The business travel of OP Financial Group personnel is governed by a travel policy. In 2014, business travel caused 2,408 tonnes of CO<sub>2</sub> emissions (2013: 3,378 tonnes). The Group has made investments in video and online conferencing technology to reduce business travel. Its travel guidelines state that trains or buses must be favoured in travel within Finland. In 2014, mailing by OP Financial Group caused 788 tonnes of CO<sub>2</sub> emissions, paper use 1,478 tonnes, waste management 598 tonnes, and data centre energy consumption 1,376 tonnes.

## Social responsibility

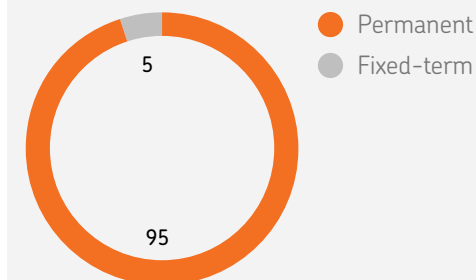
### Labour practices and decent work

#### *Personnel structure (G4-10, G4-LA1, G4-LA12)*

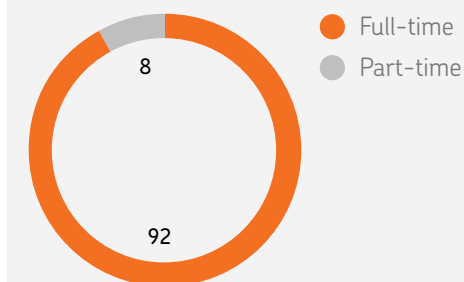
The number of personnel employed by OP Financial Group fell by 500 in 2014. At year-end, the Group employed 12,356 persons (2013: 12,856). Of these, 95 (94) per cent were permanently employed and five (6) per cent were fixed-term employees. Of Group employees, 11,915 were based in Finland, 192 in Estonia, 122 in Latvia, 125 in Lithuania and two in Russia.

The management system and organisational structure of the central cooperative consolidated were updated in 2014. Six statutory negotiations were carried out during the year in the central cooperative consolidated in order to reorganise operations and improve efficiency. Statutory negotiations were also carried out in 14 of the Group's cooperative banks in order to adjust operations to the low interest rate level, increased regulation of the financial sector and changes in customer behaviour.

Workforce by contract type, %



Workforce by employment type, %



The statutory negotiations carried out in 2014 resulted in a reduction of 179 employees in the OP Financial Group. The employment of 117 of these employees was terminated through voluntary arrangements and 62 employees were dismissed. Business transfers also resulted in the transfer of 19 employees to the employment of another company. Excluding the effect of the business transfers, the annual turnover of permanent employees equalled 8.1 per cent (10.1).

OP wants to provide equal working opportunities for all employees. In 2014, 73 (73) per cent of the workforce were female and 27 (27) per cent were male. At the end of 2014, the average age of OP employees was 43.8 years (43.5) with an average employment period of 14.5 years. The average age of retirement from OP was 61.7 (61.7) years in 2014.

#### *Labour/management relations (G4-LA4, G4-11)*

OP Financial Group performs all statutory negotiations in compliance with the Act on Co-operation within Undertakings and other local legislation governing such procedures. OP Financial Group has arranged cooperation with employees through a cooperation group that convenes on a quarterly basis. The group discusses OP Financial Group's finances and performance, along with other current matters concerning the entire Group. All Group companies have arranged their own cooperation procedures in accordance with legislation.

In Finland, 90 (90) per cent of OP Financial Group personnel are covered by universally binding collective labour agreements. No binding collective agreements exist in the sector in the Baltic region.

## Remuneration

### *Incentive schemes (G4-52)*

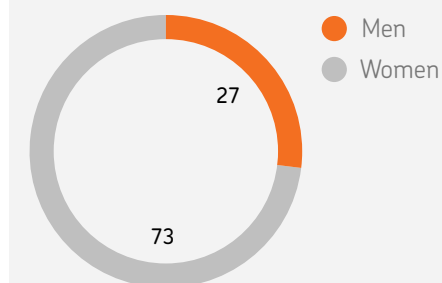
Remuneration and rewards at OP Financial Group follow the Group's remuneration principles. These principles are posted on the Group's intranet and are therefore available to all personnel. Remuneration systems based on the principles are in place to support the fulfilment of the Group's strategy, taking into account the special nature of its areas of operation. OP Financial Group emphasises the need for fairness and transparency in remuneration. Employees and employee representatives are engaged in active cooperation in the development of remuneration practices.

OP Cooperative's HR Management (Remuneration and performance management) prepares Group-level recommendations regarding remuneration, as well as policies, alignments, principles and systems which are binding on the central cooperative, for decision-making purposes. New remuneration systems and changes to existing systems, principles or alignments are handled by the remuneration or HR committee in question and presented for decision-making to the appropriate board of directors and/or supervisory board. OP Cooperative's HR Management is responsible for the implementation of decisions concerning the central cooperative, as well as Group-level recommendations, and the development of policies and systems.

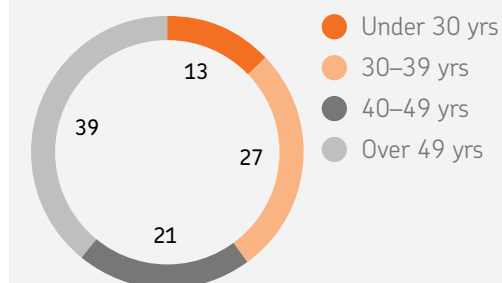
The use of external consultants in developing the remuneration system is strictly limited and does not apply to decision-making – only to preparatory stages. The use of consultants for preparation is specified when presenting remuneration systems for decision-making.

The remuneration principles for management and administrative staff and the benefits paid in 2014 are described in the document OP Financial Group Corporate Governance Statement 2014.

Workforce by gender, %



Workforce by age group, %



*How stakeholders' views are sought and taken into account (G4-53)*

OP Financial Group's remuneration principles and policies are discussed by the Supervisory Board of OP Cooperative and, depending on the issue, by the OP Financial Group's Remuneration Committee, the Supervisory Board, or another relevant Board, as well as the appropriate Remuneration or HR Committee, examining the application of the systems and evaluating their suitability.

For systems applying to the whole Group, the decisions are made by the Supervisory Board or OP Financial Group's Remuneration Committee. A Supervisory Board member who has no employment or executive contract with an OP Financial Group company can act as a member of the OP Financial Group's Remuneration Committee. Within the member banks, remuneration-related decisions are ultimately made by the Board of Directors, which consists of owner-members.

*Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation (G4-LA2)*

The fringe benefits of the OP Cooperative are the same for all personnel, regardless of their employment contract, meaning that temporary and/or part-time personnel are offered the same benefits as full-time and/or permanent personnel. The member banks decide independently on the benefits they offer, while following the benefit model provided by the OP Cooperative where applicable.

*Health and safety topics covered in formal agreements with trade unions (G4-LA8)*

OP Financial Group is a unionised employer. The Group companies apply three collective labour agreements: the collective agreement for the finance industry in banking operations, the collective agreement for the insurance industry in insurance operations,

and the collective agreement for the medical services industry at Omasairaala. As a large-scale financial sector employer, OP Financial Group plays a major role in developing the industry. The collective agreements for the finance and insurance industries were updated based on negotiations that ended on 25 October 2013. Both negotiations led to an agreement to initiate a review of a potential finance sector labour market project. This project is called Wellbeing for the Financial Sector.

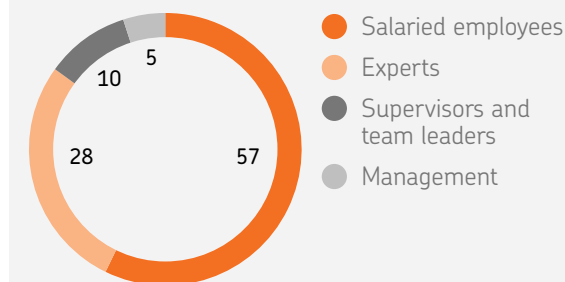
The purpose of the Wellbeing for the Financial Sector project is to enhance wellbeing by ensuring that the financial sector simultaneously generates profits for its owners, is competitive on the market and safeguards the wellbeing of its employees. The starting point of the project is the shared intent of the employers and employees in the financial sector to learn to understand the major change factors affecting this sector. These include digitalisation, changes in customer behaviour and the impact of these. The project aims at increasing occupational wellbeing among financial sector personnel while improving productivity and competitiveness in the sector. The project is chaired by a representative of OP Financial Group.

Education

*Competence development (G4-LA10)*

Competence development is one of the strategic areas of focus for OP Financial Group, and personnel are given good opportunities for training and development. Future competence needs are explored during annual planning. Competence management is supported through development plans drawn up during performance reviews. OP Financial Group provides extensive training to personnel in various tasks in order to support the implementation of the Group's strategy and to facilitate the development of competence, also by encouraging job rotation.

Workforce by personnel group, %



Workforce by personnel group and gender, %



Other development techniques, such as mentoring and coaching, are also used in competence development, and attention is paid to target-oriented on-the-job learning.

Employees are encouraged to make use of the diverse competence development methods available in the Group. Employee performance reviews also play an important role in training and education.

#### *Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation (G4-LA13)*

Equal treatment is a key principle in OP Financial Group's human resources management and salary policy, which is based on encouragement and fairness. Gender plays no role in the determination of salaries. At OP Financial Group, salaries are based on the complexity of the task, competence and performance. Remuneration is based on performance reviews that take targets and results into consideration.

The equality of remuneration is reviewed on an annual basis, using the pay survey described in the Act on equality between women and men. The results of the survey and any corrective measures required by the results are discussed with Group management and personnel representatives.

## Human rights

### Non-discrimination

#### *Total number of incidents of discrimination and corrective actions taken (G4-HR3)*

One new allegation of discrimination was made against OP Financial Group in 2014. The matter involved the granting of online banking codes to a customer who was not a citizen of a European Economic

Area (EEA) member state, Switzerland or San Marino. The National Discrimination Tribunal of Finland ruled that legislation or other official instructions did not prevent the customer's passport from being accepted as proof of identity and imposed a conditional fine of EUR 5,000 on OP Financial Group. The Group is likely to appeal against the decision of the Tribunal, since it is in conflict with an earlier decision regarding the same matter.

In 2014, the National Discrimination Tribunal of Finland rejected an appeal made by a customer in the end of 2013, in which the customer suspected discrimination and demanded access to written decisions regarding negative credit decisions.

## Society

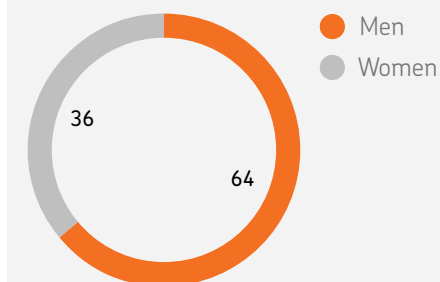
### Local communities

#### *Access points in low-populated or economically disadvantaged areas by type (FS13)*

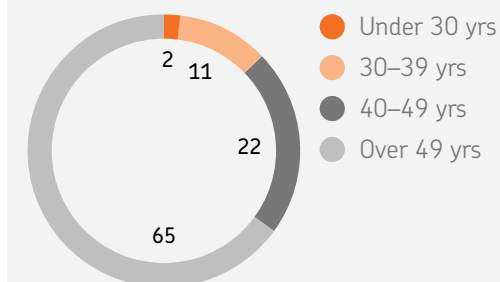
OP has Finland's largest network of banking and non-life insurance services. This network seeks to ensure that customers have equal opportunities to carry out transactions. Our cooperative banks and their offices across Finland enable effective interaction with customers and the local community. The Group's member banks had 456 branches at the end of 2014, as well as some 1,590 Otto ATMs (shared between Finland's banks) around the country.

The number of branches decreased by 29 during the year. As a rule the close-outs concerned branches located either close to another branch or in a sparsely populated area. The number of ATMs remained unchanged. Approximately 100 machines were replaced with the TalletusOtto ATMs which also enable cash deposits. Decisions to close down ATMs are mostly based on usage statistics, but in order to guarantee the coverage of the network, no machines

Governing bodies by gender, %



Governing bodies by age group, %





are closed down which are located over 20 kilometres away from the next ATM, regardless of their usage.

#### *Initiatives to improve access to financial services for disadvantaged people (FS14)*

We provide comprehensive services in Finnish and Swedish, but among corporate customers as well as in growth centres and the Helsinki Metropolitan Area in particular, there is a great demand for services in English. For our English-speaking customers, we provide electronic services (op.fi, OP-mobile and Pivo) for doing their daily transactions for banking and insurance. With respect to other services, we develop our service capabilities in English in line with customer needs. Some OP-Kiinteistökeskus real estate agency branches also offer service in Russian. In the Baltic countries, our branches serve customers in local languages, while our electronic services are available in English.

The text version of op.fi website (pda.op.fi) is used by people with vision impairments, enabling the use of disability aids such as a speech synthesizer. Furthermore, OP provides online banking code lists in Braille, enabling the use of the eService by people with impaired vision.

The real estate agency Helsinki OP-Kiinteistökeskus and the Finnish Association of People with Physical Disabilities (FPD) have agreed on cooperation whereby barrier-free and accessible Easy Access homes for people with disabilities will be sold and bought through Helsinki OP-Kiinteistökeskus. Easy access to the home is important – this means not only wide barrier-free passages but also, for example special lighting and signs. Within the home, it is important that those using wheelchairs or wheeled walking aids have access to storage space, sockets, window and door handles and kitchen appliances, for instance.

## Anti-corruption

#### *Total number and percentage of operations assessed for risks related to corruption and the significant risks identified (G4-S03)*

The entities within OP Financial Group apply a guideline entitled Procedures for Managing Operational Risk. The central cooperative formulates a risk analysis plan indicating which entities are to be analysed. If necessary, the entities to be analysed can be agreed with the Group's member organisations. In 2014, OP Financial Group included nearly 300 entities for analysis.

These entities update their operational risk analyses annually based on the procedural guidelines. The risk analyses are based on the entities' self-evaluations concerning operational risks and their management. In line with the analysis process, each entity identifies and evaluates the most important risks affecting its operations. To assist in identification, the Group has a shared risk library which lists diverse risks subdivided into seven risk categories. The Internal Abuse category includes the risk Giving and Receiving Bribes.

Bribery was recognised as a material operational risk only in the Pohjola Group's banking operations within the St. Petersburg delegation of the International Partnerships organisation.

#### *Communication and training on anti-corruption policies and procedures (G4-S04)*

The Code of Business Ethics document ratified by the Supervisory Board of OP Cooperative specifies that employees shall avoid any situation that may put them or OP Financial Group under suspicion of bribery. A compulsory online course for all employees of the Group was implemented to ensure familiarisation with the Code at all levels.

The guideline for Handling Conflicts of Interest in OP Financial Group is intended to prevent cases of corruption. All of the Group's member organisations are responsible for applying the guidelines internally. Each and every executive and employee within the institutions must know the guidelines. Every manager is in charge of supervising compliance with the guidelines, with the managing director and board of each organisation having ultimate responsibility. The guidelines concerning conflicts of interests must be handled by each organisation and its employees on a regular basis, and whenever a new person receives job orientation.

## Product responsibility

#### *Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant products and service categories subject to such information requirements (G4-PR3)*

OP Financial Group complies with legislation which requires that customers be informed of certain terms, properties or risks related to a product or service. This notification obligation applies to all three business areas of the Group: banking, non-life insurance and asset management.

#### *Initiatives to enhance financial literacy by type of beneficiary (FS16)*

OP focuses on promoting financial literacy, the management of one's daily life and finances and knowledge of banking and insurance matters in Finland. OP has conducted surveys on Finns' financial literacy during several consecutive years, including 2014. The survey found that an increasing number of Finns regularly use mobile applications that make it easier to monitor personal finances. At their best, they will create a new type of customer

experience, highlighting user-friendliness and adaptability to changing needs. This also helps users to learn and supports the management of personal finances. By the end of 2014, the OP Pivo mobile wallet application was downloaded over 300,000 times.

With respect to financial literacy, OP paid particular attention to young people in 2014. Only every other young person feels that they can manage their personal finances, and only 25% say that news about financial and economic issues is clear and understandable. Young people also feel, in more cases than the older generation, that they should improve skills related to personal financial planning.

Fifteen OP member banks from all over Finland participated in the Finnish banking sector's joint Taloustaito project aimed at promoting young people's financial skills. This project was part of an initiative launched by President of the Republic in 2013 to prevent social exclusion of children and young people. Approximately 1,200 adolescents participated in financial counselling provided by special youth work groups. The purpose of this was to improve their basic financial skills and to attend to their personal finances, such as paying their bills in due time. The groups also discussed the cost of daily life and possible ways to save money.

Banks have arranged events related to various financial topics and market themes for their retail and corporate customers. OP Banking in collaboration with local cooperative banks held investor strategy events, which attracted nearly 12,000 customers from various parts of Finland in 2014. Besides giving market reviews, these events focused on the impacts of the changed geopolitical situation on the financial market as well as the reasons behind the low market rates. In addition, the member banks have organised small-scale local events related to teaching financial skills

and financial literacy, particularly to young people and senior citizens. Cooperation with educational institutions forms an important aspect of the work to maintain financial literacy. This cooperation takes the form of theses, student visits, work experience places and recruitment fairs.

Customer magazines play a significant role in promoting financial literacy. OP-Pohjola magazine is Finland's third most read magazine (KMT, autumn 2013/spring 2014) and its aim is to speak about banking and insurance matters to its more than 1.3 million readers. OP publishes the Chydenius magazine, whose mission is to provoke social discussion and present the views of prominent opinion leaders. OP Financial Group also has other customer magazines for specific target groups. The Group aims to increase interaction with customers and facilitate communication on financial issues. The Group also communicates on financial issues through its own website and social media, such as Facebook, Twitter and the taloudessa.fi blog.

#### *Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data (G4-PR8)*

Two breaches of customer privacy were discovered in 2014. As a result of human error, a customer of one OP branch received another customer's documents in addition to their own. In the second incident, a software error caused a service provider to send letters regarding the termination of insurance policies directly to customers instead of OP banks, their intended recipients. The cases caused no financial damages.

A photograph of two business professionals in an office setting. One person is holding a tablet computer, and the other is pointing at the screen. The background shows a window with blinds. The text "GRI REPORTING PRINCIPLES" is overlaid in white, sans-serif font across the center of the image.

# GRI REPORTING PRINCIPLES

## GRI reporting principles (G4-18)

This report is OP Financial Group's fourth Corporate Social Responsibility Report prepared in accordance with the Global Reporting Initiative (GRI) Guidelines. Reporting at OP fulfils the most extensive recommendations ("comprehensive") of the GRI Guidelines and the Financial Services Sector Supplement.

The Group's GRI report also meets the reporting obligations related to the UN Global Compact and the promotion of human rights, labour, environmental and anti-corruption policies in OP's business.

OP Financial Group's Corporate Social Responsibility Report includes the data for 2014, in accordance with the Group's structure and financial reporting principles. The section on GRI corporate Responsibility Data presents the GRI G4 data corresponding to the material aspects identified in the materiality assessments. The Executive Board has approved the content of this report and assumes liability for it.

### *Definition of materiality*

OP determines the content of its CSR report based on the reporting principles in the GRI G4 Guidelines. In identifying the material aspects of CSR, the most significant economic, social and environmental impacts of OP's operations, products, services and business relations were taken into account. Other aspects that were considered were ones which may affect stakeholders' decisions or choices. In order to rate the priority of its CSR aspects, OP updated its stakeholder survey on materiality in October 2014. Additionally, the significance of the aspects was internally evaluated in relation to OP's strategy and business functions. Based on this evaluation, the aspects were put in order of priority and the main areas of

emphasis of CSR efforts and the key content of the CSR report were determined. The Executive Board has checked and approved the outcomes of the materiality assessment.

### *Materiality assessment*

In autumn 2014, OP acquired up-to-date information on its stakeholders' expectations regarding responsibility by renewing its materiality assessment. The previous materiality assessment was from 2013. The survey consisted of telephone interviews carried out in October 2014, which covered seven selected stakeholder representatives, and an online survey answered by 739 people, including representatives of retail and corporate customers, members of Group cooperative banks' governing bodies, personnel, suppliers of goods and services and other external stakeholders, as well as 51 OP executives.

In order to identify responsibility aspects, potentially material topics were collected from GRI Guidelines and OP's previous corporate responsibility report as well as those of other financial companies. The topics for the online survey were selected from this list on the basis of the telephone interviews. For GRI reporting, the location of the impact of material topics (inside/outside the company) was defined by OP.

Based on the stakeholders' responses, the main CSR aspects at OP are customer privacy, economic performance and the bank's stability, the prevention of financial crime, the availability of financial services, and the management of CSR-related risks. Other CSR aspects rated as material were the development of e-services in banking and insurance, occupational health and safety of employees, HR training and development, ethical business operations, impacts on society, staff diversity and equal opportunities, cooperative

ideology, human rights, cooperation with stakeholders, fair design and sale of products, interaction with local communities, participation in community development, and employment.

The results of the stakeholder survey are presented in the adjacent materiality matrix whose vertical axis represents materiality for stakeholders while the horizontal axis represents present or potential impact on OP's business. The materiality for stakeholders has been assessed as a whole; the matrix does not reflect the weight of individual stakeholder groups. Themes rated as material have been utilised in determining the report content and they are discussed to the extent relevant for this report on the basis of their weight and materiality.



## Materiality analysis



1. Financial results, stability
2. Protection of customer privacy
3. Prevention of financial crime
4. Ethical business
5. CSR risk management
6. Availability of financial services
7. Development of electronic banking and insurance services
8. Employee health and safety
9. Training and development of personnel
10. Impacts on society
11. Diversity of personnel, equal opportunities
12. Cooperative approach
13. Cooperation with stakeholders
14. Human rights
15. Fair product design and sales
16. Interaction with local communities and contribution to their development
17. Employment
18. Interaction with customers and other stakeholders on CSR risks and opportunities
19. Supply chain management
20. Complaints in the supply chain related to CSR issues and their management
21. Fines and sanctions related to CSR issues
22. Promotion of financial literacy
23. Products generating social and environmental benefits
24. Waste treatment and recycling
25. Support to local communities
26. Energy consumption and related emissions

### Identified material aspects (G4-19)

The following GRI-aspects were identified as material for OP's reporting:

- Economic: Economic performance and Indirect economic impacts.
- Environmental: Energy and Emissions.
- Labour practices and decent work: Employment, Labour/management relations, Occupational health and safety, Training and education, Diversity and equal opportunity, and Equal remuneration for women and men.
- Human rights: Non-discrimination.
- Society: Local communities, Anti-corruption, Public policy, Anti-competitive behaviour, Compliance.
- Product responsibility: Product and service labelling, Marketing communications, Customer privacy and Compliance.
- Financial service specific: Auditing and Active ownership.

### Entities included (G4-20, G4-21)

OP Financial Group's sustainability reporting is mainly performed within the same boundaries as the Group's financial reporting. The GRI indicators are calculated and presented in accordance with financial accounting principles. The boundary applied to environmental responsibility data is different, as this data is based on information from OP Financial Group's facilities management services. Detailed energy consumption data is available on the premises of the central cooperative consolidated, while the member banks' data is based on a representative sample. Any deviations or limitations in the boundary are reported in connection with the relevant data.

Numerical data is presented for the reporting period and comparative data for at least two previous financial years. For indicators for which no comparative data is available from previous financial years, only the data for the reporting period is presented in the report.

### GRI indicators specific to the financial sector (FS)

In relation to the GRI indicators specific to the financial sector, the information is based on figures provided by business units, the accuracy of which has been internally assured.

### Financial reporting

Data on economic responsibility are based on the audited figures of the consolidated IFRS financial statements of OP Financial Group for 2014.

### Social reporting

Personnel data were gathered from OP Financial Group's SAP Personnel system, OP property management centres, and from the Seesam insurance company in the Baltic states. Unless otherwise stated, the figures apply to the whole OP Financial Group.

**G4-10.** The number of employees is reported for the entire OP Financial Group, broken down by employment type, employment contract, age and country.

**G4-11.** The percentage of total employees covered by collective bargaining agreements is reported for the entire OP Financial Group.

**G4-54.** The ratio between the highest and average salaries applies to Finland and does not include OP-Kiinteistökeskus branches.

**G4-55.** The changes in the highest and average salaries apply to Finland and do not include OP-Kiinteistökeskus branches.

**G4-LA1.** New and terminated employment contracts are reported for the entire OP Financial Group. The figures do not include internal personnel mobility (when employees change jobs within the Group). The turnover of permanent personnel does not include transfers of business.

**G4-LA3.** The return to work and retention rates after parental leave figures apply to Finland and do not include OP-Kiinteistökeskus branches.

**G4-LA5.** The percentage of the total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes are reported for the entire OP Financial Group.

**G4-LA6.** The proportion of sickness absences out of regular person-years applies to Finland and does not include OP-Kiinteistökeskus branches.

**G4-LA8.** The health and safety themes included in the agreements signed with trade unions are reported for Finland and do not include OP-Kiinteistökeskus branches.

**G4-LA9.** The training costs in relation to total salary apply to Finland and do not include OP-Kiinteistökeskus branches.

**G4-LA11.** The percentage of employees subject to regular performance and career development reviews is reported for the entire OP Financial Group. The personnel survey that constitutes the basis for this indicator was not carried out in 2014.

**G4-LA12.** The breakdown of employees per employee category according to gender and age group is reported for the entire OP Financial Group.

The following are included in administration broken down by age and gender: members of the Representative Assemblies and Supervisory Board of the member cooperative banks, chairman and deputy chairman of the Supervisory Board, members of the Board of Directors, chairman and vice chairman of the Board of Directors, and deputy members of the Board of Directors of the member cooperative banks.

## Environmental reporting

OP's carbon footprint was calculated in accordance with the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development. The following emission sources were taken into account, in line with the division of the Greenhouse Gas Protocol:

- Direct greenhouse gas emissions (scope 1 – compulsory): fuel consumption of emergency power systems and vehicles owned and leased by the Group.
- Greenhouse gas emissions caused by the consumption of purchased electricity and heat (Scope 2 – compulsory): electricity and heat consumption of office premises used by the central cooperative consolidated, the Group's foreign functions and member banks.
- Other indirect emissions (Scope 3 – inclusion is voluntary): the energy consumption of service providers' data centres, waste management, mailing, paper use, business travel by airplane or private vehicle, and hotel accommodation.

Some minor emission sources and sources that entail significant uncertainty were excluded, such as the energy consumption of holiday and entertainment properties, the indirect emissions caused by overseas functions (waste management, paper use, mailing and travel), commuting, and business travel by ship, train, bus or local public transport.

In comparison to previous years, the calculation basis was extended to cover overseas functions and service centres, and Omasairaala was included as a new function. The calculations now encompass all business operations managed by OP Financial Group. Compared to the carbon footprint of 2013, the reliability of calculations was improved by broadening the sample of energy consumption data acquired from cooperative banks and other Group companies. Primary data is now available from units controlling 47% of Group real estate in terms of surface area.

Energy consumption is reported for the properties of OP Financial Group central cooperative consolidated functions (the Vallila block, Elimäenkatu, Lapinmäentie, Hiomotie) and Omasairaala.

The carbon footprint calculation covers all Group functions. The carbon footprints of properties from which no primary data was available were calculated on the basis of the average consumption of the most closely corresponding premises, with the missing data scaled in relation to surface area or personnel number.

Due to the above-mentioned changes in the calculation methods, updated emission factors and broader sample, the 2014 carbon footprint of OP Financial Group is not entirely comparable with that of previous years.

The background of the image is a close-up, high-angle shot of water with numerous small, concentric ripples. The water is a deep, vibrant blue, and the ripples create a textured, shimmering effect across the entire surface. The lighting is soft, highlighting the peaks of the ripples and creating a sense of depth and movement.

# GRI CONTENT INDEX



# GRI content index

- Externally assured  
○ Not externally assured

	GRI CONTENT	Location	External assurance	Further information
	<b>Strategy and analysis</b>			
G4-1	CEO's statement	OP Year 2014: Review by the President, Group Executive Chairman	○	
G4-2	Key impacts, risks and opportunities	OP Year 2014: Strategy and business	○	
	<b>Organizational profile</b>			
G4-3	Name of the organization	Financial statement, Note 1: General	○	
G4-4	Primary brands, products and services	OP Year 2014: Strategy and business, Customers	○	
G4-5	Location of the organization's headquarters	Financial statement, Note 1: General	○	
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Financial statement, Note 55	○	
G4-7	Nature of ownership and legal form	Financial statement, Note 55	○	
G4-8	Market areas	OP Year 2014: Strategy and business	○	
G4-9	Scale of the organization	OP Year 2014: OP's key indicators	○	
G4-10	Total number of employees by employment contract, employment type, region and gender	GRI Data, p. 9–10	○	
G4-11	Percentage of total employees covered by collective bargaining agreements	GRI Data, p. 4	○	
G4-12	Organization's supply chain	OP Year 2014: We care for our customers and our operating environment	○	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Financial statement, Report by the Executive Board: Changes in OP Financial Group's structure	○	
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	Financial statement, Note 2: OP Financial Group's Risk and Capital Adequacy Management Principles	○	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	GRI Data, p. 6	○	
G4-16	Memberships of associations and national or international advocacy organizations	GRI Data, p. 6	○	

GRI CONTENT	Location	External assurance	Further information
<b>Identified material aspects and boundaries</b>			
G4-17	Entities included in the organization's consolidated financial statements	Financial Statements, Note 55	○
G4-18	Process for defining the report content	GRI Data, p. 16	○
G4-19	Material aspects	GRI Data, p. 18	○
G4-20	List of entities or groups of entities within the organization for which the aspects are material	GRI Data, p 18	○
G4-21	List of entities or groups of entities outside of the organization for which the aspects are material	GRI Data, p. 18	○
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	No restatements.	○
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	No restatements.	○
<b>Stakeholder engagement</b>			
G4-24	List of stakeholder groups engaged by the organization	OP Year 2014: We work in close cooperation with our customers and other stakeholders	○
G4-25	Basis for identification and selection of stakeholders with whom to engage	OP Year 2014: We work in close cooperation with our customers and other stakeholders	○
G4-26	Organization's approach to stakeholder engagement	OP Year 2014: We work in close cooperation with our customers and other stakeholders	○
G4-27	Key topics and concerns that have been raised through stakeholder engagement	OP Year 2014: We work in close cooperation with our customers and other stakeholders	○
<b>Report profile</b>			
G4-28	Reporting period	1 Jan.–31 Dec. 2014	○
G4-29	Date of most recent previous report	27 February 2014	○
G4-30	Reporting cycle	Annual	○
G4-31	Contact point for questions regarding the report or its contents	viestinta@op.fi	○
G4-32	GRI content Index	GRI Data, p. 16	○
G4-33	Policy and current practice with regard to seeking external assurance	The report has not been assured externally.	○

GRI CONTENT	Location	External assurance	Further information
<b>Governance</b>			
Governance structure and composition			
G4-34	Governance structure, including committees	Corporate Governance Statement: Supervisory Board and its committees	○
G4-35	Division of responsibilities	Corporate Governance Statement: Corporate social responsibility	○
G4-36	Positions with responsibility	Corporate Governance Statement: Corporate social responsibility	○
G4-37	Processes for consultation with stakeholders	Corporate Governance Statement: Corporate social responsibility, OP Year 2014: We work in close cooperation with our customers and other stakeholders	○
G4-38	Members of the Board of Directors	Corporate Governance Statement: OP Financial Group's President, Executive Chairman, and OP Cooperative's CEO and Executive Board	○
G4-39	Status of the chair of the highest governance body	Corporate Governance Statement: OP Financial Group's President, Executive Chairman, and OP Cooperative's CEO	○
G4-40	Election of the Board of Directors	Corporate Governance Statement: OP Financial Group's President, Executive Chairman, and OP Cooperative's CEO	○
G4-41	Processes to ensure conflicts of interest are avoided and managed	Corporate Governance Statement: Management system	○
Highest governance body's role in setting purpose, values, and strategy			
G4-42	Highest governance body's role in setting purpose, values, and strategy	Corporate Governance Statement: Corporate social responsibility	○
Highest governance body's competencies and performance evaluation			
G4-43	Highest governance body's collective knowledge	Corporate Governance Statement: Corporate social responsibility	○
G4-44	Evaluation of the highest governance body's performance	Corporate Governance Statement: Corporate social responsibility	○

	GRI CONTENT	Location	External assurance	Further information
	Highest governance body's role in risk management			
G4-45	Highest governance body's role in the identification and management of risk	GRI Data, p. 5–6	○	
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management	GRI Data, p. 5–6	○	
G4-47	Frequency of risk reviews	GRI Data, p. 5–6	○	
	Board's role in CSR reporting			
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report	GRI Data, p. 16	○	
	Highest governance body's role in evaluating economic, environmental and social performance			
G4-49	Process for communicating critical concerns	Corporate Governance Statement, GRI Data, p. 5–6	○	
G4-50	Nature and total number of critical concerns that were communicated	GRI Data, p. 5–6	○	
	Remuneration and incentives			
G4-51	Remuneration policies for the highest governance body and senior executives	Corporate Governance Statement: Remuneration	○	
G4-52	Incentive schemes	GRI Data, p. 10	○	
G4-53	How stakeholders' views are sought and taken into account	GRI Data, p. 11	○	
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual and the median for all employees	GRI Data, p. 4	○	
G4-55	Percentage increase in total compensation for the organization's highest-paid individual and the median for all employees	GRI Data, p. 4	○	
	Business ethics			
G4-56	Ethics and integrity	Corporate Governance Statement: Management system; OP Year 2014: Strategy	○	
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour	GRI Data, p. 5–6	○	
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour	GRI Data, p. 6	○	



	GRI CONTENT	Location	External assurance	Further information
	<b>Disclosures on management approach</b>			
	Generic disclosures on management approach (DMA)	GRI Data, p. 5–6	○	
	<b>Aspect-specific disclosures on management approach</b>			
	Product and service impact			
FS1	Policies with specific environmental and social components applied to business lines	GRI Data, p. 5–6	○	
FS2	Procedures for assessing and screening environmental and social risks in business lines	GRI Data, p. 5–6	○	
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	GRI Data, p. 5–6	○	
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	GRI Data, p. 5–6	○	
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	GRI Data, p. 5–6	○	
	Product and service labelling			
FS15	Policies for the fair design and sale of financial products and services	GRI Data, p. 5–6	○	
	<b>Operational KPIs</b>			
	Product and service Impact			
	<b>Aspect: Auditing</b>			
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	GRI Data, p. 7	○	
	<b>Aspect: Active ownership</b>			
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issue	GRI Data, p. 7	○	
FS11	Percentage of assets subject to positive and negative environmental or social screening	GRI Data, p. 8	○	
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote or advises on voting	GRI Data, p. 7	○	

GRI CONTENT	Location	External assurance	Further information
<b>Economic responsibility</b>			
<b>Aspect: Economic performance</b>			
G4-EC1	Direct economic value generated and distributed + FSSS: Value generated by the organization's community investment programs and breakdown of community investment by theme	OP Year 2014: We care for our customers and our operating environment	○
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	GRI Data, p. 8	○
G4-EC3	Coverage of the organization's defined benefit plan obligations	GRI Data, p. 4; Financial statement, Note 40	○
G4-EC4	Financial assistance received from the government	OP Financial Group did not receive any significant financial assistance from the government in 2014.	○
<b>Aspect: Indirect economic impacts</b>			
G4-EC7	Development and impact of infrastructure investments and service provided primarily for public benefit through commercial, in-kind or pro-bono engagement	OP Year 2014: We care for our customers and our operating environment	○
G4-EC8	Understanding and describing significant indirect economic impacts, including the extent of impacts	OP Year 2014: We care for our customers and our operating environment	○
<b>Environmental responsibility</b>			
<b>Aspect: Energy</b>			
G4-EN3	Direct energy consumption by primary energy source	GRI Data, p. 9	○
G4-EN4	Indirect energy consumption by primary energy source	Data not collected	○
G4-EN5	Energy intensity	GRI Data, p. 9	○
G4-EN6	Reduction of energy consumption	GRI Data, p. 8	○
G4-EN7	Reductions in the energy requirements of sold products and services	Not reported, because the figure is not applicable to OP Financial Group's operations.	○

GRI CONTENT	Location	External assurance	Further information
<b>Aspect: Emissions</b>			
G4-EN15	Direct greenhouse gas emissions (scope 1) FSSS: Greenhouse gas emissions relating to business travel and courier services	GRI Data, p. 9	○
G4-EN16	Indirect greenhouse gas emissions (scope 2)	GRI Data, p. 9	○
G4-EN17	Other indirect greenhouse gas emissions (scope 3)	GRI Data, p. 9	○
G4-EN18	Greenhouse gas emissions intensity	GRI Data, p. 9	○
G4-EN19	Reduction of greenhouse gas emissions	GRI Data, p. 8–9	○
G4-EN20	Emissions of ozone-depleting substances	Not reported, because the figure is not applicable to OP Financial Group's operations.	○
G4-EN21	Nitrogen oxide (NOx), sulphur oxide (SOx) and other significant air emissions	Not reported, because the figure is not applicable to OP Financial Group's operations.	○
Social responsibility			
<b>Labour practices and decent work</b>			
<b>Aspect: Employment</b>			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	GRI Data, p. 4	○
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	GRI Data, p. 11	○
G4-LA3	Return to work and retention rates after parental leave, by gender	GRI Data, p. 4	○
<b>Aspect: Labour/management relations</b>			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	GRI Data, p. 10	○

GRI CONTENT	Location	External assurance	Further information
<b>Aspect: Labour/management relations</b>			
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	GRI Data, p. 4	○
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	GRI Data, p. 4	○
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	OP Financial Group's business does not include positions with a recognised high incidence or risk of specific diseases.	○
G4-LA8	Health and safety topics covered in formal agreements with trade unions	GRI Data, p. 11	○
<b>Aspect: Education</b>			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	GRI Data, p. 4	○
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	GRI Data, p. 11	○
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	GRI Data, p. 4	○
<b>Aspect: Diversity and equal opportunity</b>			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	GRI Data, p. 4, GRI Data, p. 9–12	○



GRI CONTENT	Location	External assurance	Further information	
<b>Aspect: Equal remuneration for women and men</b>				
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	GRI Data, p. 12	○	Ratio of women's salaries to men's salaries was calculated according to G4 specifications for positions covered by collective agreements for the financial and insurance sectors in Finland. The information was not disclosed.
<b>Aspect: Labour practices grievance mechanisms</b>				
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	No cases in 2014.	○	
<b>Human rights</b>				
<b>Aspect: Non-discrimination</b>				
G4-HR3	Total number of incidents of discrimination and corrective actions taken	One allegation inspected in 2014. GRII Data, p. 12	○	
<b>Society</b>				
<b>Aspect: Local communities</b>				
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Not reported because the figure is not applicable to OP Financial Group's operations.	○	
G4-S02	Operations with significant actual or potential negative impacts on local communities	Not reported because the figure is not applicable to OP Financial Group's operations.	○	
FS13	Access points in low-populated or economically disadvantaged areas by type	GRI Data, p. 12	○	
FS14	Initiatives to improve access to financial services for disadvantaged people	GRI Data, p. 13	○	

GRI CONTENT	Location	External assurance	Further information
<b>Aspect: Anti-corruption</b>			
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	GRI Data, p. 13	<input type="radio"/>
G4-S04	Communication and training on anti-corruption policies and procedures	GRI Data, p. 13	<input type="radio"/>
G4-S05	Confirmed incidents of corruption and actions taken	No cases in 2014.	<input type="radio"/>
<b>Aspect: Public policy</b>			
G4-S06	Total value of political contributions by country and recipient/beneficiary	OP Financial Group does not support political parties or organisation and will not participate in funding individual candidates' campaigns.	<input type="radio"/>
<b>Aspect: Anti-competitive behaviour</b>			
G4-S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	No cases in 2014.	<input type="radio"/>
<b>Aspect: Compliance</b>			
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No cases in 2014.	<input type="radio"/>
<b>Product liability</b>			
<b>Aspect: Product and service labelling</b>			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant products and service categories subject to such information requirements	GRI Data, p. 13	<input type="radio"/>
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	No cases in 2014.	<input type="radio"/>
G4-PR5	Results of surveys measuring customer satisfaction	OP Year 2014: Customer feedback is vital for business development	<input type="radio"/>
FS16	Initiatives to enhance financial literacy by type of beneficiary	GRI Data, p. 14	<input type="radio"/>

GRI CONTENT	Location	External assurance	Further information
<b>Aspect: Marketing communications</b>			
G4-PR6	Sale of banned or disputed products	Not reported because the figure is not applicable to OP Financial Group's operations.	○
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	No cases in 2014.	○
<b>Aspect: Customer privacy</b>			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	GRI Data, p. 14	○
<b>Aspect: Compliance</b>			
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No cases in 2014.	○

# Global Compact content index

## GLOBAL COMPACT REPORTING

Human rights	Location
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights	Management approaches to corporate social responsibility p. 5–6
<b>Principle 2:</b> Businesses should make sure they are not complicit in human rights abuses	Management approaches to corporate social responsibility p. 5–6
Labour	Location
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	G4-LA8, p. 11
<b>Principle 4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labour	Management approaches to corporate social responsibility p. 5–6
<b>Principle 5:</b> Businesses should uphold the effective abolition of child labour	Management approaches to corporate social responsibility p. 5–6
<b>Principle 6:</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation	G4-HR3, p. 12

## GLOBAL COMPACT REPORTING

Environment	Location
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges	Management approaches to corporate social responsibility p. 5–6, Environmental responsibility p. 8–9
<b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility	Management approaches to corporate social responsibility p. 5–6, Environmental responsibility p. 8–9
<b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies	Management approaches to corporate social responsibility p. 5–6, Environmental responsibility p. 8–9
Anti-corruption	Location
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery	Code of Business Ethics p. 6



