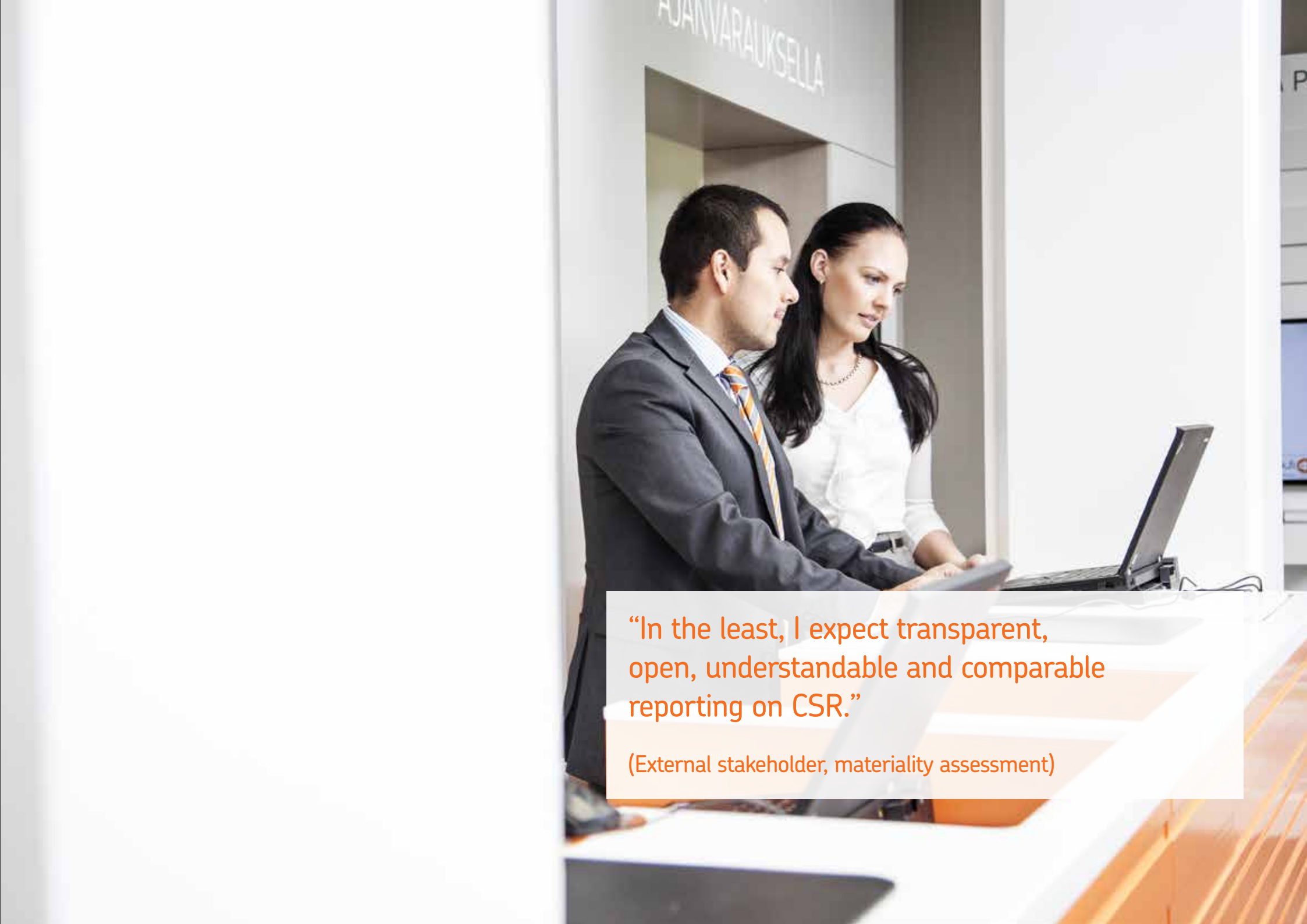


OP-Pohjola Group's
Corporate Social Responsibility Report
2013



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A man in a grey suit and orange tie, and a woman in a white blouse, are looking at a laptop screen in a modern office setting. The man is pointing at the screen. The woman is looking at the screen. The background is a bright, modern office with a white wall and a doorway. The text is overlaid on the bottom right of the image.

“In the least, I expect transparent,
open, understandable and comparable
reporting on CSR.”

(External stakeholder, materiality assessment)

Executive Chairman's CSR Statement

The foundation of OP-Pohjola Group's operation is customer ownership. In accordance with our basic mission, we promote the sustainable prosperity, well-being and security of our owner-members, customers and operating regions through our local presence. Our values, that is, people-first approach, responsibility and prospering together, guide our decision-making. We operate in the long term.

Our social responsibility has been entered as an integral part of OP-Pohjola Group's strategy. It guides our business so that we take the responsibility aspect into consideration in product and service development and in how we go about financing, investment and non-life insurance matters. We will invest in active, open and transparent communication and stakeholder engagement.

We are one of Finland's biggest employers. Our principle is that responsibility as an employer can only be achieved in the long run if we have our finances in balance. We have faith in Finnish expertise. We consider it a matter of honour to pull our weight in financing public services. We are one of the biggest payers of corporate income tax.

Responsibility is not just big words, it also requires action. In the context of corporate social responsibility (CSR), we aim to pioneer in the financial sector in Finland. We were among the first to make our corporate social responsibility report using the new G4 requirements of Global Reporting Initiative (GRI) that were updated in 2013. Our work is made easier by the recent materiality analysis which confirms that we have focused on the right issues in our CSR programme. OP-Pohjola Group's CSR cornerstones consist of our role in Finnish society and in the creation of local wellbeing, ethical business practices, responsible products and services as well as responsibility for stakeholders and the environment.

We have adopted a Code of Business Ethics that applies to the entire personnel. UN's Global Compact initiative and the international agreements to which we are signatories require us to follow a set of common rules.

2013 was successful for us also in terms of CSR matters. Our financial performance is good, and our market position became even better. At the same time, we were able to maintain our capital adequacy at a good level, 17,3 Core Tier 1. We also made progress in terms of the targets we had set ourselves in the corporate social responsibility programme.

OP-Pohjola Group breathes the same air as Finland, and as a major national player, we have a large influence on Finnish life and wellbeing. This is a heavy responsibility and therefore our Group must be strong and live up to its expectations. Since the beginning of the financial crisis, that is, during the last five years, the corporate loan stock in the euro area has shrunk by 9 per cent. In the meantime, however, the Finnish corporate loan stock has gone up by an impressive 19%. OP-Pohjola Group accounts for two thirds of that increase. This is one clear indication of our will to contribute to Finland's wellbeing.

In 2013, we invested a record amount, almost 150 million euros, on product and service development. OP Mobile's growth into becoming the primary point of access for private banking customers is ongoing. Users value our mobile services very highly, and the innovative Pivo service is a forerunner in smart wallets. With Omasairaala hospital, we are leading the way in the development of health care processes.

Our Helsinki premises, the Vallila 2015 office building project, is proceeding according to plans and has already been awarded its first LEED certificate. We are also making a donation to the new children's hospital in Helsinki. It is a major project and an investment that will provide many jobs for years to come.

The instability of our operating environment goes on, and economic growth is expected to be modest. At the same time, the financial sector is undergoing radical changes. Low interest rates and slow growth, structural changes, taxation and tighter and tighter regulation have an effect on operations, and the effects can



be felt all the way to the customers. The new situation requires banks to have much bigger economic buffers. Even though the operating environment is changing, we must ensure that we work cost-effectively while adjusting to future challenges in the financial sector. We intend to be fully operational in any eventuality in order that we can do our part in keeping Finland's financing and payment system and insurance market running and that we can ensure our customers the services they require.

Reijo Karhinen
President and CEO

OP-Pohjola Group in Brief

OP-Pohjola Group is Finland's largest financial services group. It provides its customers with the best loyalty benefits and the most extensive and diversified range of banking, investment and insurance services. The Group has three business segments: Banking, Non-life Insurance, and Wealth Management.

The Group is made up of some 180 independent member cooperative banks and OP-Pohjola Group Central Cooperative which they own, including its subsidiaries and closely related companies. Group's operations are based on the cooperative principle – cooperation and sharing the fruits of success with everyone. OP-Pohjola's mission is to promote the sustainable prosperity, safety and wellbeing of its owner-members, customers and operating regions. Our long-term customer-centred approach also enables continuous renewal. We develop our services and products to meet our customers' needs.

Group Member Banks

A Group member cooperative bank is owned by its customers. It is an independent, local deposit bank engaged in retail banking within its region. Its operations rest on a customer-oriented approach. In terms of their corporate form, they are cooperatives where each owner-member has one, equal vote. Thanks to this, Group member banks cannot be purchased and decision-making powers remain with the owner-members.

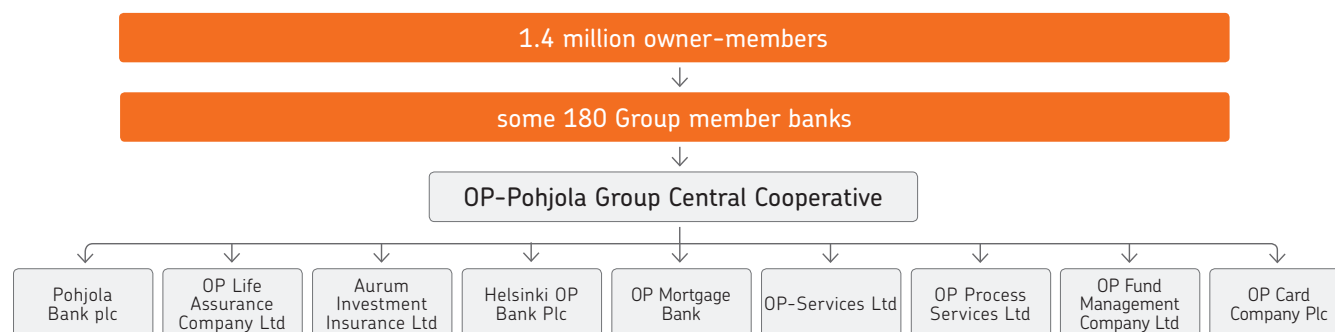
The operation of Group member banks is based on profitability. The member banks offer high-quality and competitive banking and insurance services to their customers. Rather than focusing on short-term profits, Group member banks aim at continuous success together with its customers. Operating profit is used for the benefit of owner-members: for the development of products, services and benefits.

OP-Pohjola Group Central Cooperative

OP-Pohjola Central Cooperative is the central institution of the amalgamation of the cooperative banks. The cooperative's members are the amalgamation's deposit banks and other credit institutions. By virtue of Laki talletuspankkien yhteenliittymästä (Act on the Amalgamation of Deposit Banks), the central institution has both the right to control its credit institutions and the obligation to supervise their operations.

OP-Pohjola Group Central Cooperative carries out control and supervision duties from its position at the head of the financial and insurance conglomerate formed by OP-Pohjola Group. It also acts as the Group's strategic owner institution.

OP-Pohjola Group Central Cooperative's mission is to create the basis for OP-Pohjola Group's unity and success. Its task is to supervise and steer the Group's business in line with the jointly agreed strategy. OP-Pohjola Group Central Cooperative also analyses the operating environment and gathers information on changes in the industry. It is in charge of the Group's corporate image, reputation and brands.



Pohjola Bank plc

Pohjola Bank plc is the most important subsidiary of OP-Pohjola Group Central Cooperative. Pohjola is a listed financial services group providing banking, non-life insurance and asset management services. For Finnish and global corporate customers, Pohjola provides comprehensive finance, investment, cash management and non-life insurance services. For private customers, Pohjola provides non-life insurance and asset management services.

Acting as OP-Pohjola Group's central bank, Pohjola manages the Group's liquidity and international operations. Pohjola's A-shares are listed on NASDAQ OMX Helsinki and the number of shareholders is approximately 32,000.

Pohjola Insurance Ltd is a Pohjola Bank plc subsidiary. It engages in non-life insurance operations in Finland, offering comprehensive insurance cover for private, corporate and institutional customers. Pohjola's non-life insurance operations comprise not only Pohjola Insurance but also A-Insurance, Eurooppalainen Insurance Company, and Seesam company operating in the Baltic countries.

OP-Services Ltd

OP-Services Ltd, a wholly-owned subsidiary of OP-Pohjola Group Central Cooperative, provides the basis for OP-Pohjola Group's success by developing and producing all of the services needed by the Group. It is in close cooperation with other Group companies and is in charge of development and production services that support the Group's business processes. The ultimate goal of OP-Services is to make the daily lives of the Group's customers easier and guarantee that they have access to the best products and services in the financial sector.



Corporate Social Responsibility at OP-Pohjola Group

- Megatrends, Risks and Opportunities in the Financial Sector
- OP-Pohjola's Mission and Strategy
- Materiality in OP-Pohjola Group's Corporate Social Responsibility
- Management of Corporate Social Responsibility
- OP-Pohjola Corporate Social Responsibility Programme

Corporate Social Responsibility at OP-Pohjola Group

Corporate social responsibility (CSR) is an essential part of OP-Pohjola Group's operations and strategy. It is founded on cooperative ideals, our values, our financial solvency and our capable risk management. Our CSR measures encompass economic, social and environmental responsibility. Our aim is to be a pioneer in CSR within our sector in Finland.

Megatrends, Risks and Opportunities in the Financial Sector

The financial sector is shaped by diverse megatrends, which are drivers of change coming from outside the industry. Megatrends are broad currents recognisable as phenomena or series of phenomena, which have a recognisable direction based on past developments, and which can be expected to continue going in the same direction. Megatrends usually spread widely and affect the society, the economy, politics, the environment and technology. They influence the focal points of OP-Pohjola's strategy and CSR Programme, and therefore they are regularly re-evaluated. OP-Pohjola updated its views on megatrends in 2013. The major megatrends in 2013 were globalisation, demographic changes, digitisation, economic rebalancing, increased regulation and supervision, and an emphasis on sustainable development. All these change trends are closely connected to CSR efforts.

Globalisation brings societies, economies and operators closer and closer to each other. The financial sector is expected to display increasing sensitivity in its reactions, adaptability and international service competence. The trend also emphasises the need for responsibility in OP-Pohjola's supply chain and international investment decisions, among other functions.

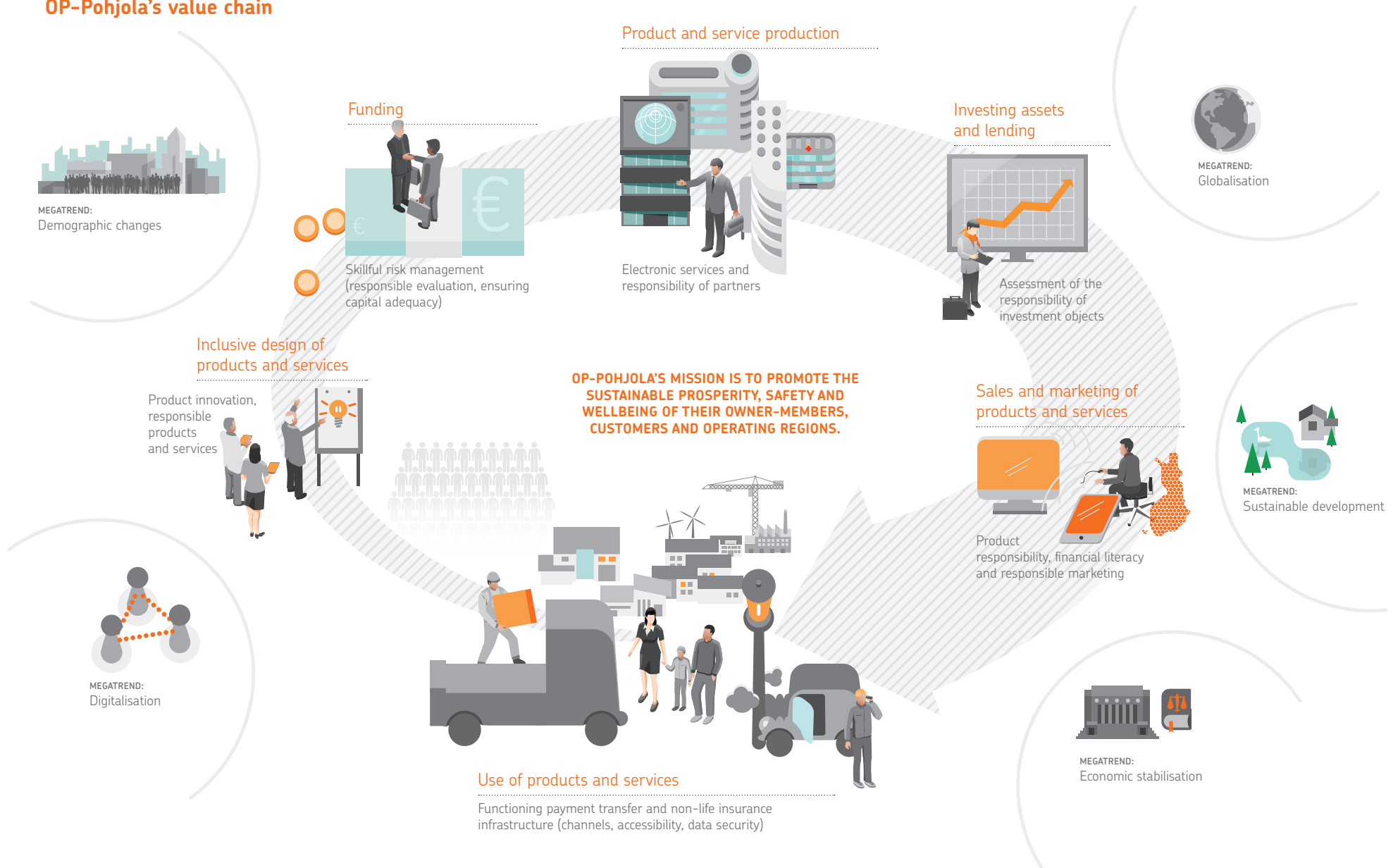
The demographic changes that are taking place, especially in the Western world, arise from rising life expectancy and ageing populations. Meanwhile, population growth is accelerating and urbanisation continues around the world. The financial sector's role in safeguarding welfare and providing services for the elderly is becoming emphasised.

Digitalisation is generating a diversity of information at an accelerating pace. Financial services must be available to customers independently of time and place. New e-services are increasingly important, and new technology is harnessed for improved customer experiences.

The rebalancing of the economy requires structural reforms. Efforts to reduce indebtedness and improve fiscal adjustment are slowing down economic growth in many Western countries. The financial and capital markets remain uncertain. At the same time, international regulation and supervision of the financial sector are increasing, and the sector must adjust to the new atmosphere. Capital adequacy, funding structures and liquidity are being reinforced. Increasing attention is paid to consumer protection.

Sustainable development is related to the major global challenges caused by scant natural resources, efficient use of them, and climate change. All operators are expected to act more transparently and responsibly. Increasing attention is paid to reputation risk, also in the financial sector. Meanwhile, the emphasis on sustainable development is creating opportunities for responsible financial products and services.

OP-Pohjola's value chain



Mission and Strategy of OP-Pohjola Group

OP-Pohjola's mission is to promote the sustainable prosperity, safety and wellbeing of its owner-members, customers and operating regions. OP-Pohjola's values are responsibility, a people-first approach and prospering together. In line with these values, OP-Pohjola operates locally, regionally and nationally, as an ethically responsible company.

According to our strategy, corporate social responsibility is an essential part of OP-Pohjola Group's operations. Our CSR is founded on cooperative ideals, our values, our financial solvency and our capable risk management. CSR activities take economic, social and environmental responsibility into consideration. Our aim is to be a pioneer in CSR within our sector in Finland.

OP-Pohjola is a responsible employer that supports staff development and wellbeing. The Group bears its portion of responsibility for the functionality of the Finnish financing and payment transaction system, and for the Finnish insurance market. OP-Pohjola focuses on the development of responsible products and services, and engages in ongoing efforts to improve responsible financing, investment and non-life insurance practices.

Additionally, the company strives to conduct active, open and transparent communications and stakeholder relations, and to promote its customers' financial literacy. OP-Pohjola's social objective is to arrange responsible services in welfare, security and accommodation which generate sustainable financial performance in Finland.

Materiality in CSR at OP-Pohjola

OP-Pohjola Group's Corporate Social Responsibility Report contains the material issues related to the major financial, social and environmental impacts of the Group's operations and those which may have significance on the decisions and choices of the Group's stakeholders. The purpose of CSR reporting is to increase the Group's openness and transparency, and thereby to improve its stakeholders' opportunities for operational evaluation and decision-making. The material aspects of CSR at OP-Pohjola Group are emphasised in the Group's CSR Programme.

OP-Pohjola updated its CSR materiality assessment in 2013 to correspond to the new GRI G4 Guidelines. The previous materiality assessment was from 2011 and it resulted in the Group defining the most important spheres of influence and measures related to its CSR. The materiality assessment was also used to find out the stakeholders' expectations regarding responsibility, and to analyse the impacts on business of CSR actions.

The materiality assessment started with a revision of the main aspects of CSR at OP-Pohjola, and by identifying the changes in the Group's operating environment which have affected CSR. Particular attention was paid to the aspects of CSR which are critical in terms of OP-Pohjola's operations, products, services and corporate relations. Extensive impacts were identified throughout the value chain. A stakeholder survey was conducted in September 2013 to assess the significance of the aspects which had been identified. The online survey was answered by representatives of private and corporate customers, administration, personnel, investors, subcontractors and other external stakeholders. There were 437 responses. CSR was subdivided into four aspects in the

survey: the role OP-Pohjola plays in the Finnish society; responsible products and services; responsibility for stakeholders; and environmental responsibility.

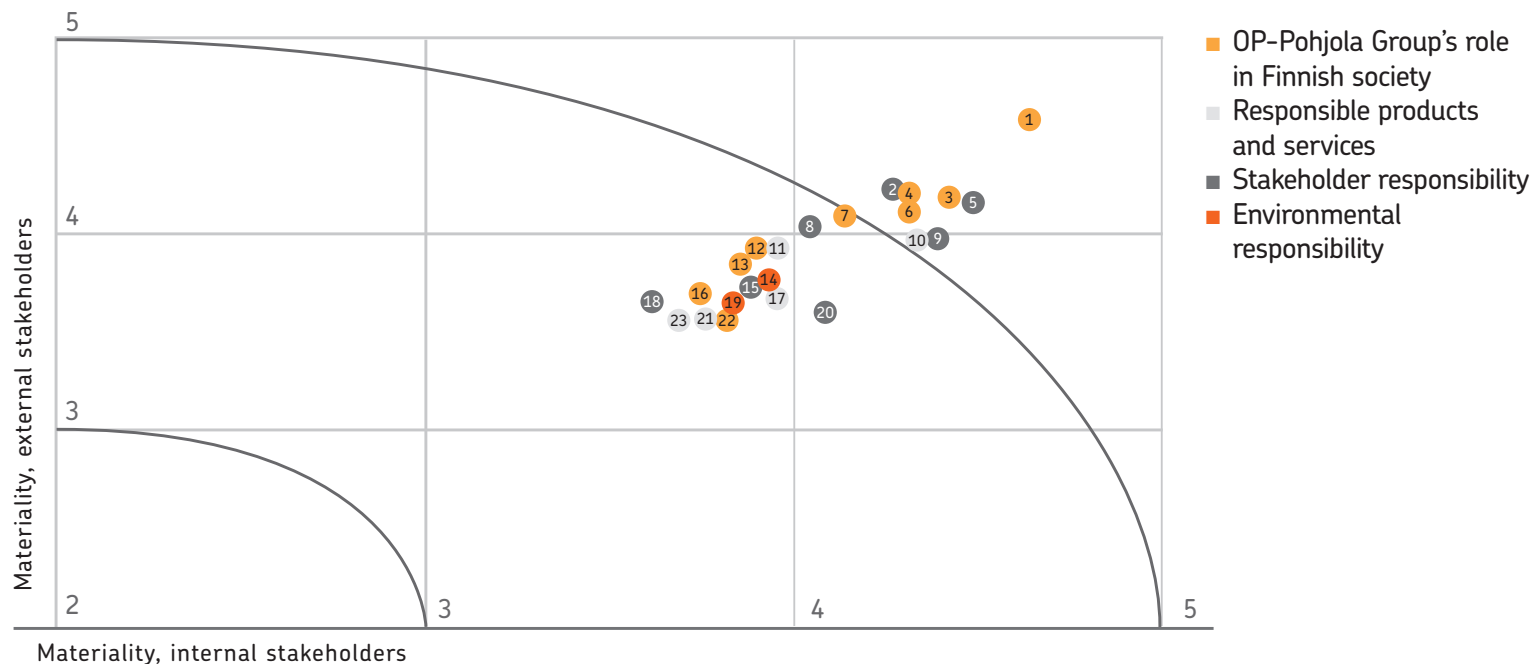
Based on the stakeholders' responses, the most important aspects of CSR at OP-Pohjola are the confidentiality and protection of customer data, development of staff competence, extensive e-services in banking and insurance, competent risk assessment, fair remuneration and compensation policies and financial solvency. Other aspects of CSR rated as material were good corporate governance practice, recognition of responsibility in the choice of partners and subcontractors, continued development of e-services in banking and insurance, and equal opportunities.

Further matters that were rated as important were assessing the level of responsibility of all investments, actively fighting financial crime and misdeeds, ensuring the operational reliability of financial infrastructures, the carbon footprint of OP-Pohjola's own operations, responsible marketing, including CSR risks in risk management, and responsible product innovations that support customers at various stages in their lives. The conclusions of our own materiality assessment are supported by the survey *Yritysten maine ja vastuullisuus 2013* ("Corporate Reputation and Responsibility 2013") conducted by TNS Gallup (November 2013), where the greater public cited products and services as the most critical aspect of reputation and responsibility for OP-Pohjola, followed by financial responsibility. Environmental responsibility was rated as less of a priority in the financial sector. All in all, the survey confirmed OP-Pohjola's image as one of the leading financial sector operators in Finland within CSR.

The respondents to the stakeholder survey supported OP-Pohjola's philosophy of developing CSR as an indelible part of business operations. According to stakeholders' views, the significance of electronic banking and insurance services has grown as a part of responsibility. Similarly, there is a greater emphasis than before on the role of good corporate governance practice in the fulfilment of CSR.

In setting the prioritisation of the various aspects of its CSR Programme, besides the stakeholder survey, OP-Pohjola took into account its strategy and CSR policies. Based on this materiality assessment, OP-Pohjola has chosen its most critical CSR aspects and reports their data and key figures in accordance with the GRI G4 Guidelines. These aspects are listed in the GRI content index.

OP-Pohjola's materiality matrix



- | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> 1. Customer data confidentiality and privacy protection 2. Transparency and clarity of communications 3. Extensive online banking and insurance services 4. OP-Pohjola Group's capital adequacy 5. Employee skill development 6. Competent risk management 7. Good corporate governance practice 8. Consideration of corporate social responsibility in selecting partners and suppliers 9. Fair remuneration policy 10. Continuous improvement of electronic banking and insurance services | <ul style="list-style-type: none"> 11. Assessing responsibility of all investment vehicles 12. Active prevention of corporate/white-collar crime and misconduct 13. Reliability of financial infrastructure 14. OP-Pohjola's carbon footprint/climate impact 15. Responsible marketing 16. Consideration of corporate social responsibility risks in risk management 17. Product innovations for customers' various stages of life 18. Profit sharing with customers and shareholders 19. Eco-friendly products and services | <ul style="list-style-type: none"> 20. Promotion of equality 21. Specific responsibility-oriented investment products 22. Accident/loss prevention by Non-life Insurance 23. Assessing environmental risks and impacts in financing and insurance decisions |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Management of Corporate Social Responsibility

CSR at OP-Pohjola Group is based on cooperative ideals, financial solvency and capable risk management. Strategic CSR management is the responsibility of the Executive Board of OP-Pohjola Group Central Cooperative. The aim is that CSR management will be a close-knit part of operational management. On the Group Central Cooperative Executive Board, CSR comes under the Chief Communications Officer's remit. Decisions on ethical matters are made by the Executive Board.

The Group's operational activities are guided by the OP-Pohjola CSR Programme. Operational responsibility for practical CSR measures lies with the Boards of Directors and Executive Boards of the organisations belonging to the Group, in accordance with their own decision-making processes. Since the start of 2013, the CSR Programme has come under the operations of the Corporate Identity and Communication steering group.

CSR management is evaluated as a part of business operations, and therefore the CSR KPIs are business indicators. As a consequence of such an evaluation, some of the Group's operating policies were updated in 2013, and the need for new policies was reviewed.

In the Group's cooperative banks, it is the duty of the Managing Director to have guidelines defined by the Central Cooperative – among them, those for Handling Conflicts of Interest in OP-Pohjola Group – approved by the bank's Board of Directors. The Group's organisations are recommended to process these guidelines

together with personnel, following statutory procedures for employer-employee negotiations.

The Annual Report of OP-Pohjola Group lists the main positions of trust and Pohjola shareholdings of Executive Board members. Additionally, the shareholdings of persons included in the public insider register can be checked in public registers.

Major new products, services and operating models or significant changes to existing ones are, when necessary, assessed by the 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 corporate governance (ESG) risks. These maps are used to conduct an analysis on the basis of which the executive management are informed of critical phenomena.

OP-Pohjola Group's corporate governance is based on Finnish legislation, the Finnish Corporate Governance Code and the Group's own corporate governance recommendations. CSR comes under these corporate governance principles.

Read more about our corporate governance principles at our websites (op.fi and pohjola.fi).

In the case of possible disputes, customers are asked to contact the FINE advisory committee of the financial industry, whose members comprehensively represent the industry's stakeholders.

Monitoring the Code of Business Ethics

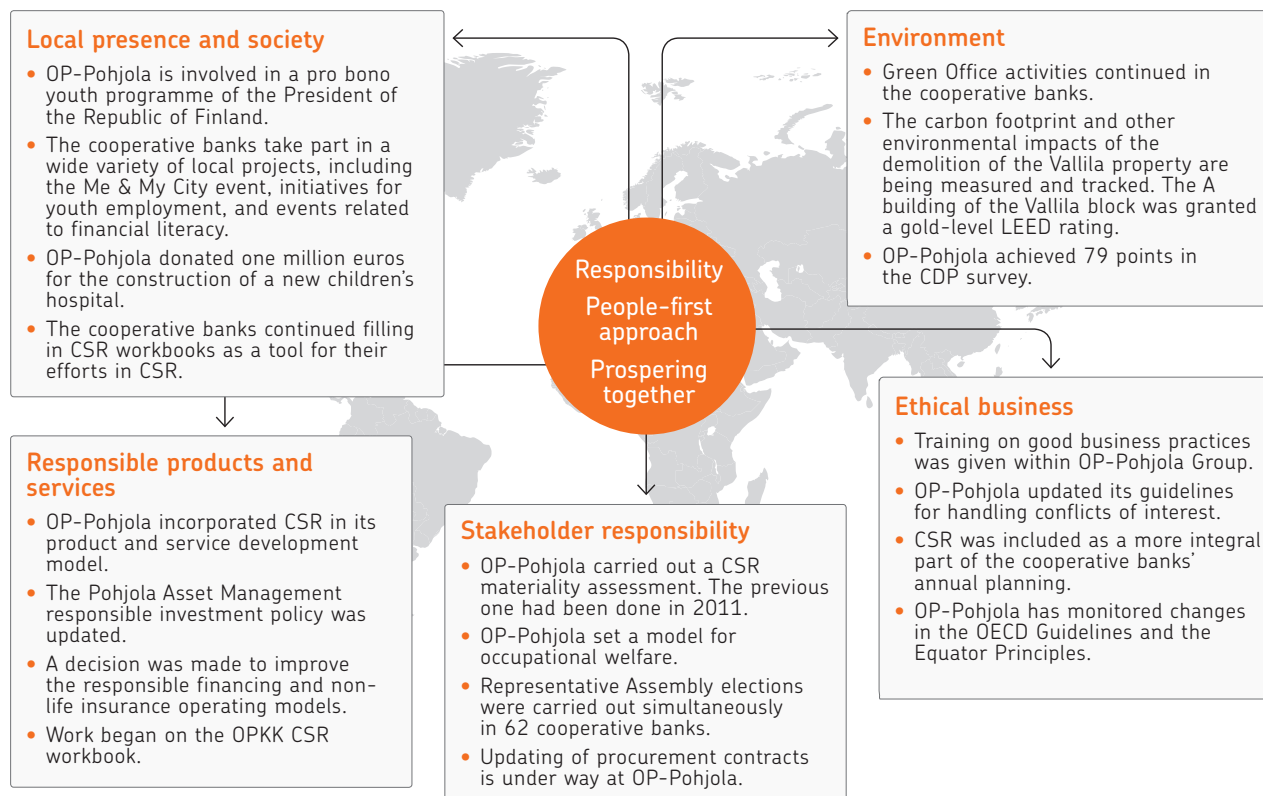
The Group's Code of Business Ethics applies to all of the personnel and management. If any examples of continuous or significant violations of good business practice are observed, the Group Supervisory Board cautions the Board of the organisation in question.

In accordance with the Group's Code of Business Ethics, in intra-group conflicts the Chief Audit Executive can be notified confidentially of any violations.

OP-Pohjola Corporate Social Responsibility Programme

The OP-Pohjola Corporate Social Responsibility Programme was first formulated based on a materiality assessment conducted in 2011, when key performance indicators (KPIs) and targets were set for the Group's CSR Programme and cooperative activities. The materiality assessment was updated in the autumn of 2013, and the results of the assessment were used to set measures for 2014 and to review the CSR KPIs and targets. The KPIs were revised in 2013, setting targets for 2014 and 2016.

Corporate Social Responsibility Programme in 2013



KPIs of Corporate Social Responsibility Programme	2011	2012	2013	Objectives	
				2014	2016
Local presence and society					
Capital Adequacy Ratio under the Act on the Supervision of Financial and Insurance Conglomerates	1.80	1.90	1.90	1.6	1.6
Customer service performance reliability (%)	99.78	99.96	99.97	99.89	99.89
Funding local projects (EUR mill.)	3.3	3.1	2.6*	▼	▼
Stakeholder responsibility					
Bonuses to owner-members (EUR mill.) ¹	163	173	182	▲	▲
Pohjola Bank plc's dividend payout ratio (%) ²	60	51	50**	≥ 50	≥ 50
Average retirement age ³	61.5	61.5	61.6	▲	▲
Job satisfaction (scale 1–5)	3.9	3.9	3.9	▲	▲
Share of member banks with Representative Assembly of all member banks (%)	71	78	83***	▲	▲
Responsible products and services					
Private customers' eBills (1,000 pcs)	2,955	4,981	13,200	22,000	30,000
Corporate customers' eBills (1,000 pcs)	5,519	7,388	9,200	25,000	32,000
Omasairaala hospital: quicker treatment period (days) ⁴			43****	▼	▼
Ethical business					
Recommended by private customers ⁵	*****	58.0			
Banking services			73	▲	▲
Insurance services			54	▲	▲
Recommended by corporate customers (Net Promoter Score) ⁶	31	32			
Banking services			38	▲	▲
Insurance services			12	▲	▲
Environment					
Carbon footprint of the Group's own operations (tons of CO ₂)	34,847	32,743	35,003 *****	-1%	-5% from the previous year
Number of employees in Green Offices	2,550	2,815	2,493	3,000	5,000

¹ Bonuses accumulated

² Dividend policy: dividend payout ratio at least 50%, provided that Core Tier 1 ratio remains at least 10%. The Executive Board, which acts as the Board of Directors of OP-Pohjola Group Central Cooperative, Pohjola Bank plc's parent institution, has proposed on 6 January 2014 to the Board of Directors of Pohjola Bank plc that Pohjola Group's dividend payout ratio be decreased from 50% to 30% as of dividend distribution for the financial year 2014 until the CET1 ratio reaches the new target of 15%. Pohjola Bank plc's Board of Directors will assess the proposals before the Annual General Meeting of 20 March 2014.

³ Does not include Seesam insurance companies

⁴ Hospital opened in 2013.

⁵ ⁶ A minor specification was added in 2013: the respondents were told that on a scale 0-1, 5=neutral. In addition, the score for banking and insurance activities is reported separately.

* In 2013, a decision was made to donate EUR 1 million to the new Childrens' hospital. The payment is spread over 2013-2017.

** Proposal of the Board of Directors.

*** The first simultaneous election of Representative Assemblies were held in 62 Group cooperative banks in the autumn of 2013. OP-Pohjola's Supervisory Board has set the target of 90% for 2017.

****Average of the treatment and recovery period (= total disability period) for three so-called standard operations in bodily injuries under statutory workers' compensation insurance treated with the relevant standard operation.

***** No comparable history information from 2011.

***** Scope 1 and 2. The reported increase in the carbon footprint of OP-Pohjola's own activities was largely due to a more extensive data compilation on member banks' property.

International Commitments

Besides applicable laws and regulations, OP-Pohjola Group is committed to abiding by international agreements related to its operations. At the end of 2011, OP-Pohjola 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 the Group's new supplier contracts and online training for personnel in business ethics and CSR, observing the Global Compact, was launched.

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, they have developed responsible investment practices with even greater determination, and participated in wider development efforts in the sector. Both companies are also founding members of Finland's Sustainable Investment Forum (FINSIF). OP-Pohjola Group is also involved in the Corporate Social Responsibility working group of the Federation of Finnish Financial Services, in 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 Fund Management Company is a partner of the Finnish Association for Nature Conservation, and OP-Pohjola is a WWF partner.

OP-Pohjola has actively followed the development of guidelines for the financial sector as part of the OECD Guidelines for Multi-national 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 2013 OP-Pohjola responded to the CDP survey, which gathers information from large corporations on their actions to combat climate change and reduce greenhouse gases. CDP is used to draw the attention of companies to their environmental responsibility. In 2013, OP-Pohjola's score in the survey was 79/100, which was above the average.

A young woman with blonde hair is smiling and looking towards an older man whose profile is visible on the left side of the frame. The background is softly blurred, suggesting an outdoor setting with greenery.

Corporate Social Responsibility Programme

- Local Presence and Society
- Stakeholder Responsibility
- Responsible Products and Services
- Ethical Business Operations
- Environmental Responsibility

Corporate Social Responsibility Programme

OP-Pohjola Group's Corporate Social Responsibility Programme comprises five themes, with KPIs for each theme and targets for each KPI.

Local Presence and Society focuses on the Group's local and regional operations, and on OP-Pohjola's status in Finland's financial infrastructure.

Stakeholder Responsibility encompasses measures and dialogue related to diverse stakeholders, as well as other matters affecting employee and customer satisfaction. It also covers transparent and clear communications and marketing.

Responsible Products and Services covers responsible investment, development of a responsible lending process, improvement of the responsible non-life insurance model, and the responsibility of banking and insurance services. The responsibilities here are social, economic and environmental.

Ethical Business comprises the Code of Business Ethics, as well as other guidelines and how they are observed in the Group.

Environment deals with the environmental impacts of the Group's own operations.

“Decisions made by Finnish banks have a major impact on the possibilities available for companies to develop their operations.”

(Corporate customer, materiality assessment)

Local Presence and Society

One of OP-Pohjola's values is 'prospering together'. In line with this, the Group takes active part in developing local and regional vitality. The objective is to build long-term trust in the Group's local relations with diverse stakeholders. The Group boasts Finland's largest network of banking and insurance services. This means that customers have equal access to services, wherever they live.

OP-Pohjola Group operates from about 500 locations around the country and is therefore well placed to engage with local communities. The Group also offers a wide range of electronic banking and insurance services.

Responsibility for Finnish Infrastructure

The purpose of risk and capital adequacy management is to secure the risk-bearing capacity of OP-Pohjola Group and its organisations, and to ensure that the Group's ability to operate is not jeopardised over the long term. The Group's capital adequacy is strong, measured both under the Act on Supervision of Financial and Insurance Conglomerates (RAVA) and in accordance with the Act on Financial Institutions.

The recent financial crisis led to the capital adequacy regulations for banks in the European Union being tightened in an effort to improve the quality of their capital base, to increase capital buffers, to reduce the cyclic nature of capital requirements, to decrease banks' indebtedness and to set quantitative limits to liquidity risk. These changes will take effect in 2014–2019. The solvency regulations of the insurance sector are changing, too. Changes in the insurance sector's Solvency II regulations aim to improve the quality of insurance companies' capital base, improve their risk management, increase the risk-based solvency requirements and harmonise insurance sector solvency requirements in Europe. EU-level regulations will be implemented in stages from the start

of 2016. OP-Pohjola Group is actively preparing for these regulatory changes.

More details on the current and forecast capital adequacy of the Group are given in OP-Pohjola Group financial statements, which can be found on the website op.fi.

The Group's basic lending principles remained unchanged in 2013. The weaker economic climate did not affect the number of non-performing loans and credit losses, which remained low.

Finnish direct debits will come to an end at the end of January 2014, as part of the transfer to the Single Euro Payments Area (SEPA). As a replacement for the service, OP-Pohjola has recommended that its customers take into use efficient and environmentally friendly e-invoices. A supplementary service offered by OP-Pohjola is a new direct payment, which allows for automation of bill payments even for those who do not use online banking. OP-Pohjola also accepts e-invoice and direct payment orders on paper in order to assist with the fundraising practices of charities and the banking practices of senior citizens.

Development of Transaction Channels

Responsibility at OP-Pohjola involves the development of transaction channels so that they meet customers' evolving needs. The Group continues actively to develop e-services that make everyday life easier for its customers. During 2013, the Group made available a secure online chat facility through which customers can discuss matters such as mortgages with a bank representative from home over the internet. Customers can book an appointment on the internet to meet either at a bank branch, by telephone or online, or contact the bank through the online chat system.

Today, most of the daily business done with customers takes place electronically. This is why OP-Pohjola expanded its selec-

tion of mobile services in 2013. Customers have widely adopted the use of new smartphone applications, and it continues to grow. In late 2013, mobile services already accounted for one fifth of e-services, and their rapid growth is expected to continue. At the end of the year, an English-language version of the mobile banking application was released.

The Pivo mobile wallet was launched in the autumn of 2013 as the result of hundreds of customer interviews and surveys. Pivo is a smartphone app that helps users understand their finances and make use of diverse discounts in everyday shopping. It provides easy but secure access to the user's bank balance and a short-term financial forecast, simply with the entry of a pass code. In the future, Pivo will also make it possible to shop and pay by smartphone. Pivo has proven its worth to customers from the very start: it is used much more frequently than our other e-services – daily by many users.

The roll-out of the new facility and service model for Osuuspankki bank branches began in 2013 with two branches, Helsingin OP Pankki in Tapiola and Tampereen Seudun OP in Hervanta. The first experiences of the new premises have been very positive. The objective of the new service model is to take the different kinds of customer groups that visit the branch better into account.

Ensuring Data Protection

OP-Pohjola pays particular attention to the operational reliability of electronic banking and insurance services. The Group proactively and actively evaluates and develops security solutions for electronic customer services, and systematically works to improve data security.

During 2013 OP-Pohjola continued to enhance the security of its services and the ability to react to potential cyber attacks. The Group also further increased its collaboration with the authorities

and other operators in the financial sector to prevent abuse related to electronic services, and to speed up the handling of abuse cases.

The additional confirmation function adopted in 2011 for online payments was developed further in 2013. This is a security solution that offers customers enhanced security against any malware that may have infected their computers. In 2013 OP-Pohjola improved its ability to detect misuse of the OP online service, and to report on these cases to the authorities and to customers.

Local Projects

National, local and regional projects and events involving various stakeholders form an integral part of OP-Pohjola Group's CSR Programme. The long-term objective for these is to fulfil the Group's mission in collaboration with stakeholders.

OP-Pohjola Group has made a partnership agreement with a charity that is running the campaign to build a new children's hospital in Helsinki. Along with this agreement, OP-Pohjola will contribute one million euros towards the construction of the hospital. The amount of this contribution will be increased through various actions together with personnel, customers and other stakeholder groups, as well as the support charity until 2017.

The member banks organise local events and projects across the country. Decisions on these activities are made locally. The largest cooperative banks took part in the Me & My City event, which is a study module on work, society and entrepreneurship for sixth-graders. As in previous years, the cooperative banks also contributed to projects seeking employment opportunities for young people, and supported diverse local cultural events, clubs and societies. For example, 579 adolescents participated in the course Driver's Licence for Working Life (Ajokortti työelämään) organised together by the group's member banks and the 4H youth unions.

For its part, Seesam insurance company has for several years supported a traffic safety campaign in the Baltic region, within which those who drive during the Midsummer holiday pledge to stay sober and to look out for their friends. In 2013 more than 2,000 people took part in the pledge.

In 2013, OP-Pohjola and three other banks took part in an initiative of the President of Finland with the aim of helping young people manage their daily finances. The project has been running in the Helsinki, Riihimäki, Joensuu, Jyväskylä and Oulu regions. Local youth workers have gathered together young people from their own areas, who have been able to meet with bank representatives to discuss basic financial management matters. The feedback from the young people has been good and the bank volunteers have been enthusiastic about participating in the valuable work.

Financial Literacy

OP-Pohjola has a focus on promoting financial literacy and knowledge of banking and insurance matters in Finland. The Group has conducted surveys on Finns' financial literacy during several consecutive years, including 2013. The survey found that ordinary citizens feel that their own bank is the primary place to turn to when they have questions about their finances. For young people, family and friends were also important in this respect. The groups found to be most active in following financial matters were senior citizens and the self-employed.

The member banks hold local events for young and elderly citizens, as well as events related to various financial topics for private and corporate customers. Start Days enterprise start-up events, for example, have been held around Finland for many years. The events are arranged by the member banks in collaboration with Pohjola Insurance. Their target group are those considering starting up or buying a business. 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. In addition, the member banks have organised small-scale local events related to teaching financial skills and financial literacy to young people and senior citizens.

The banks also held events with various financial themes, for private customers and companies. Pohjola Bank in collaboration with local cooperative banks held investor strategy events, which attracted nearly 10,000 customers from various parts of Finland in 2013. Besides giving market reviews, these events focused on interpreting economic development signals and explaining terms related to the European debt crisis.

Customer magazines play a significant role in promoting financial literacy. OP-Pohjola magazine is Finland's third most read magazine (KMT, spring 2013) and its aim is to speak about banking and insurance matters in clear terms to its more than 1.4 million readers. OP-Pohjola publishes the Chydenius magazine, whose mission is to provoke social discussion and present the views of prominent opinion leaders. OP-Pohjola Group also has other customer magazines for specific target groups. The Group aims to use its own website and social media (such as Facebook and Twitter) to increase interaction with customers and as a tool in communicating on financial issues.

Stakeholder Responsibility

Stakeholder engagement is deeply embedded into OP-Pohjola's cooperative business model. OP-Pohjola has identified its major stakeholder – those parties who have the greatest impact on the Group's operations and whose actions the Group in turn influences. OP-Pohjola conducts continuous, open dialogue with its stakeholders.

One of the main principles of stakeholder engagement is to interact with stakeholders in order to identify aspects in OP-Pohjola's CSR which require development. The CSR materiality assessment involved a comprehensive set of representatives from the major stakeholder groups. The stakeholder's expectations with regard to CSR were particularly related to customer data confidentiality and protection. Other matters pointed out by the stakeholders are presented in the section discussing the materiality assessment.

An important element of stakeholder engagement lies in various projects and events throughout Finland. In addition to major nationwide projects, OP-Pohjola organises numerous local projects and events. The Group actively conducts dialogues in and with the media.

The stakeholders recognised as being of major importance are listed in the following table.

"There is too little talk about the role of our individual products and services as a tool for implementing CSR. Our service range is a tool for our customers to implement their own sustainable development."

(Personnel, materiality assessment)

OP-Pohjola's Stakeholders

HUMAN RESOURCES

The 2013 employee survey showed a good performance especially in job satisfaction, occupational welfare and leadership.

The personnel considers the fulfilment of equal opportunities to be particularly important, and this is monitored separately.

LOCAL AND REGIONAL COMMUNITIES

The local member banks organise a variety of stakeholder events in their local communities.

In relation to the Vallila project, an event was held for local residents' associations in January, before demolition began.

NON-GOVERNMENTAL ORGANISATIONS

During 2013, OP-Pohjola met with various NGOs to discuss e.g. some of the investments of OP Fund Management Company and also responded to a survey on so-called land seizure.

OP-Pohjola meets with all the unions of salaried employees twice a year.

INDUSTRY ASSOCIATIONS

OP-Pohjola is a member of working groups of the EACB and the Federation of Finnish Financial Services (FK), and takes part in the operations of FIBS and FINSIF. OP-Pohjola commented on the European Union's Non-Financial Reporting directive proposal as part of the CSR activities of FK and EACB.

In addition, OP-Pohjola participates in the work of IIF (The Institute of International Finance) and its various working groups.

MEDIA

According to the PR Barometer 2013, which surveys journalists, OP-Pohjola is among the top five Finnish companies with regard to handling of media relations and image. The journalists had particular praise for the comments given by OP-Pohjola's experts and for their general attitude towards the media. One of the improvements called for by the respondents was more active contacts and better information provided online.

SCHOOLS AND UNIVERSITIES

The member banks give regular presentations on financial matters to local children and adolescents.

Co-operation has been made with universities around Finland for example in the form of lectures or visits, joint research projects, internships and final theses.

AUTHORITIES AND DECISION-MAKERS

OP-Pohjola carries out close dialogue with the authorities, and looks after its stakeholders' interests.

CUSTOMERS, OWNER-MEMBERS AND INVESTORS

The Group continuously collects its customers' views through a feedback system, and owner-members are invited to take part in the banks' administrations. Customers have the opportunity to take part in product and service development through a customer community.

REPRESENTATIVE ASSEMBLY AND ADMINISTRATION

Simultaneous Representative Assembly elections were carried out at 62 member banks. Dialogue with the administrative bodies is conducted via an administrative newsletter. The training selection for administrative personnel will be updated during 2014 upon their own request.

Owner-Members and Shareholders

Every customer of a cooperative bank can become an owner-member of their own bank. At year-end 2013, there were 1.4 million owner-members. Owner-members can participate in the bank's administration and decision-making. Owner-members have excellent opportunities to have their say through the service network, a feedback system and the member banks' administrations. In accordance with the principles of cooperative business, the cooperative banks distribute OP bonuses to their owner-members, in proportion to their rate of involvement in the bank's operations. Bonus customers receive benefits, such as discounts on the daily financial services package and insurance premiums. During 2013 a total of EUR 182 million (2012: EUR 173 million) was paid out in bonuses.

OP-Pohjola Group member banks own a significant portion of the listed Group company Pohjola Bank plc, and, like other shareholders, they receive a dividend from the bank's profits. Consequently, the banks' owner-members also benefit from Pohjola Bank's profit sharing. In 2013, dividends paid by Pohjola Bank to its shareholders amounted to EUR 145 million.

Representative Assembly

In cooperative banks, the highest decision-making body is the Representative Assembly or, in the absence of such an assembly, the Cooperative Meeting. In OP-Pohjola, the aim is for at least the largest member banks to have a Representative Assembly. An assembly is a more democratic alternative, particularly if a bank has thousands or even tens of thousands of owner-members.

Autumn 2013 saw the first simultaneous Representative Assembly elections in 62 member banks, resulting in the election of almost 2,000 representative members. There were more than 5,000 candidates for the posts, i.e. over 2.5 times as many candidates

as there were positions. There were more than 900,000 owner-members with a right to vote, meaning around two thirds of all the owner-members. An online election engine was in place to assist in finding the right candidate, and votes could be cast online or by mail. The internet was a popular choice, with 22% voting via the OP online service. The voters also contributed to fundraising efforts for the new children's hospital: because the voter turnout in the 62 banks averaged 34 per cent, OP-Pohjola donated an extra EUR 20,000 to the hospital.

Currently, already 82.5 per cent of owner-members belong to banks that have a Representative Assembly. The target is to raise this figure to 90 per cent by 2017. Among the duties of the Representative Assembly is adoption of the bank's financial statements and balance sheet, as well as election of the Supervisory Board, which in turn elects the Board of Directors. The Representative Assembly is also a stepping stone to other administrative duties within the bank. Moreover, assembly members are provided with training in banking operations and financial matters.

Engagement of Administration

At OP-Pohjola, administration refers to the members of the Supervisory Boards and Boards of Directors of the group's member banks as well as the members of the Supervisory Board of the Central Cooperative, while members of the representative assembly are not deemed part of administration. The Supervisory Board oversees the Board of Directors and managing director in the management of the cooperative bank and elects the Board of Directors. It also approves the bank's principles of capital adequacy management. The Supervisory Board confirms the bylaws of the bank, which deal with matters of far-reaching and fundamental importance, as well as deciding on the division of duties between the managing director and Board of Directors. The Supervisory Board elects the Board of Directors and, upon a proposal by the Board of Directors, the managing director. The Board of Directors is the central decision-making body in a cooperative bank. It

sees to the proper organisation of the bank's management and operations. To achieve continued success, the Board of Directors also ensures that the bank's business operations are systematic, efficient and profitable, adaptable to changes in the operating environment and well-managed in terms of risks.

Members of the banks' Boards of Directors have the opportunity to participate in training involving an in-depth discussion of cooperative banks' operations and objectives. Members of the Boards of Directors and Supervisory Boards are also able to take OP-Pohjola's online courses on cooperative and banking operations, as well as other topics. An electronic newsletter is sent to the member banks' administrative members. This is a quick way of communicating about topical issues.

In 2013, an extensive development program was launched for the members of administration at the group's member banks. Its objective is to create a systematic programme for the development of expertise in various administrative positions. Thus, administrative positions at OP-Pohjola become a unique vantage point, an opportunity to enhance one's expertise and lay a career path into various administrative positions within the Group.

Human Resources

OP-Pohjola aims to be the financial sector's most attractive employer, and one of the most desirable employers amongst major Finnish companies. The Group wants to turn staff competence and continuous renewal throughout the career path into a success factor for itself.

In accordance with the OP-Pohjola 2012 strategy, the focus of development in 2013–2015 will be on developing management skills, supervisory work, the governance of the cooperative banks, and occupational well-being. Additional efforts will be made in performance management, enhancing remuneration systems and increasing internal mobility. This is to ensure diverse career

advancement and competence development opportunities for personnel within the Group.

An extensive project to develop occupational well-being began at OP-Pohjola in autumn 2012. As part of this project, most of the Group's companies and organisations insured its personnel under extensive health insurance as of 1 January 2013. By late 2013, over 90 per cent of the Group's personnel were insured. The insurance supports work ability and encourages all personnel to look after their well-being. The focus of occupational health care has shifted even further towards preventive action. In addition, supervisors are trained to identify risks related to work ability.

OP-Pohjola has undergone a major reorganisation during 2012–2013, as a continuation of the restructuring of OP-Pohjola Group Central Cooperative Consolidated, which began in 2010. Current challenges in the operating environment and growing regulation in the financial sector require higher capital adequacy and profitability in future years. The Group's aim has been to increase the efficiency and centralisation of functions, and eliminate redundancy. In conjunction with the restructuring, during 2013 around 500 employees were moved through business transfers to the employ of partners that provide services for OP-Pohjola Group. Seven of OP-Pohjola Group's member banks conducted personnel negotiations during the year with the aim of streamlining operations due to low interest rate level, increased regulation in the financial sector and changes in customer behaviour.

OP-Pohjola monitors job satisfaction and occupational well-being with an employee survey and a personnel pulse. On the basis of the survey results, operations are developed at work community, company and Group level. OP-Pohjola conducted a group-level survey in September 2013. All in all, 7,599 people responded to the survey (response rate 83%), comprising 4,035 people at the Central Cooperative, and 3,355 at member banks and 228 at OPKK branches. The overall average score was 3.83 (on a scale of 1–5).

The overall result was at a solid level, despite the major reforms during the year. Especially good results were achieved in employee job satisfaction, occupational well-being and leadership. The biggest positive changes compared to the previous year took place in the expediency of work facilities, gender equality and leadership work.

Particular weight is put on the fulfilment of equal opportunities, and this is also monitored separately in addition to the employee survey. An extensive equality survey is conducted at least every three years, and implementation of the company-specific annual plans is monitored annually.

The main objective of the equality plan is to support the functioning of a fair and equal workplace, and to promote structural changes among diverse personnel groups to make the proportions of women and men as equal as possible. Equality planning also allows for changes in personnel structure to be supported through management training choices, for example, by ensuring there are enough potential women on management and executive career tracks.

Supply Chain

OP-Pohjola's centralised procurement function supports the procurement of the Group's various operators by offering expert assistance on acquiring products, services and related rights. The supply chain also includes a network of partners offered by the non-life insurance provider to its customers. Apart from this, the Group's functions look after their own fundraising and investment-related acquisitions.

The aim is to ensure that the acquired products, services and rights are cost-effective, reliable and ethical, and that suppliers are managed professionally to the benefit of OP-Pohjola and its customers. There are five category groups with the task of recog-

nising the business needs of their own areas and formulating targets and actions plans accordingly.

In OP-Pohjola Group, purchase contracts and orders must be based on group-level framework agreements made by the Group's procurement functions wherever applicable. These agreements require that suppliers comply with OP-Pohjola Group's good business practices and with the Global Compact, as well as with all the applicable laws and regulations.

Insurance compensation partnerships have transferred to a centralised operating model in relation to moisture surveys, demolition work and post-loss damage prevention. The network of building construction partners is being expanded nationwide, and only companies rated as Reliable Partners by Suomen Tilaaajavastuu Oy are used for damage repairs. The Group's car dealerships operate according to the standards and best practices of the sector, complying with environmental regulations. Customers needing a replacement car are recommended to rent a low-emission vehicle.

In 2013, there were around 22,000 suppliers providing products and services to OP-Pohjola Group, while the Group's indirect total purchases totalled some EUR 570 million. Finnish suppliers accounted for around 99 % of this. OP-Pohjola's procurement chain is focused around Finland and Finnish services, in particular. This keeps the CSR risk level low in procurement.

As part of the reorganisation carried out in late 2012, the ICT Procurement function, previously belonging to the ICT Services, was merged into the central procurement function and cooperation was increased with the partner administration of Pohjola Insurance. The role of centralised procurement in relation to the business functions was clarified, particularly in the Central Cooperative. With the reorganisation, the role of OP-Services is shifting from a service provider to a service integrator, which outsources

and acquires extensive packages of services. In the autumn 2013, ICT Services outsourced 496 of its personnel and transferred its application development and maintenance to Accenture and CGI. This ICT services transformation plan is a continuation of the efficiency-enhancement programme launched within OP-Pohjola Group Central Cooperative Consolidated in autumn 2012 and it forms an important part of the efforts to improve the Group's future competitiveness.

OP-Pohjola Group develops its supply chain audit methods as part of its overall governance procedures. Because CSR is integrated into daily operations, the fulfilment of environmental and social responsibility policies and related risks are assessed within ordinary business processes. In line with procurement guidelines, all new and updated contracts now include principles from the Global Compact as well as CSR principles recognised within OP-Pohjola Group.

The supplier management risk survey includes assessment of the supplier's CSR risks, on the basis of which an action plan for reducing and managing said risks may be made.

Responsible Products and Services

OP-Pohjola invests heavily in the development of responsible products and services, through continuous improvement of its operating models in the areas of responsible investment, financing and insurance. In product and service development, the aim is to ensure responsible operations throughout the value chain, from the perspective of both environmental and social responsibility. During 2013, CSR criteria were incorporated into the product and service development operating model. One objective of product development is for products to be easy to use and understand. Products must be user-friendly and take account of the individual needs of customers of all ages living in different areas.

In 2013 OP-Pohjola adopted new ways of listening to its customers' views and engaging them in the development of services and products through the electronic customer community Paja. Services are extensively tested on various customer groups at different stages of development.

One particular area of development is the provision of comprehensive services electronically. E-services increase efficiency for both the customer and OP-Pohjola and may reduce environmental impact. They are also equally accessible to customers in the whole country.

Development of E-Services

OP-Pohjola actively promotes the electronic availability and usability of its services because there are many benefits to be gained from e-services. The Group's stakeholders consider the development of e-services to be a crucial aspect of CSR at OP-Pohjola.

In 2013, active efforts were made to replace paper insurance policies with electronic ones, and during the year more than 200,000

customers digitised their insurance mailings (from around 12,000 in 2012). The number of paper appendices decreased by over 1.3 million and the number of paper pages by 10 million compared to the previous year thanks to digitisation and efforts to shorten and reduce printed materials. The use of the online claims service doubled during 2013, which also significantly reduced paper mail-outs. Currently around half of insurance customers use the online service for making claims.

The prior growth in the use of online bank statements and e-invoices continued. Most of OP-Pohjola Group's customers have opted to receive online statements instead of paper statements. In 2013, a good 300,000 fewer paper statements were sent out to customers than in 2012, and by the end of the year only 33 per cent of online banking customers received statements on paper. During the year, customers received around 13.2 million e-invoices in the OP online service (2012: approx. 13 million), and by the end of 2013, 61 per cent of active online banking customers received their bills in the form of e-invoices. Electronic invoicing increases billing efficiency and saves time for companies. For this reason, e-invoicing is offered as a fixed part of the basic payment transaction service. During 2013, the Group's corporate customers sent a total of around 9.2 million e-invoices.

OP-Pohjola recommends using the e-invoice service as a replacement for the Finnish direct debit system, which will be terminated in January 2014. Throughout the year, customers were offered an easy way to transfer from direct debit to e-invoices.

There was lively debate around mobile payments and mobile management of daily financial matters in 2013. Mobile services make it possible to serve customers as close as possible to the customers. Pivo will bring together all the services needed by consumers at the time of purchase in one mobile app, including a bank balance display, a personal financial forecast, information on nearby shops and services, benefits, discount coupons

and receipts. In future, Pivo will also allow for secure payments of purchases by smartphone.

Responsible Investment

Responsible investment is an integral part of normal investment activities for OP-Pohjola. The Group believes that paying attention to the sustainability of investment targets and encouraging companies to carry out increasingly sustainable operations will help in the fulfilment of long-term business and investment objectives.

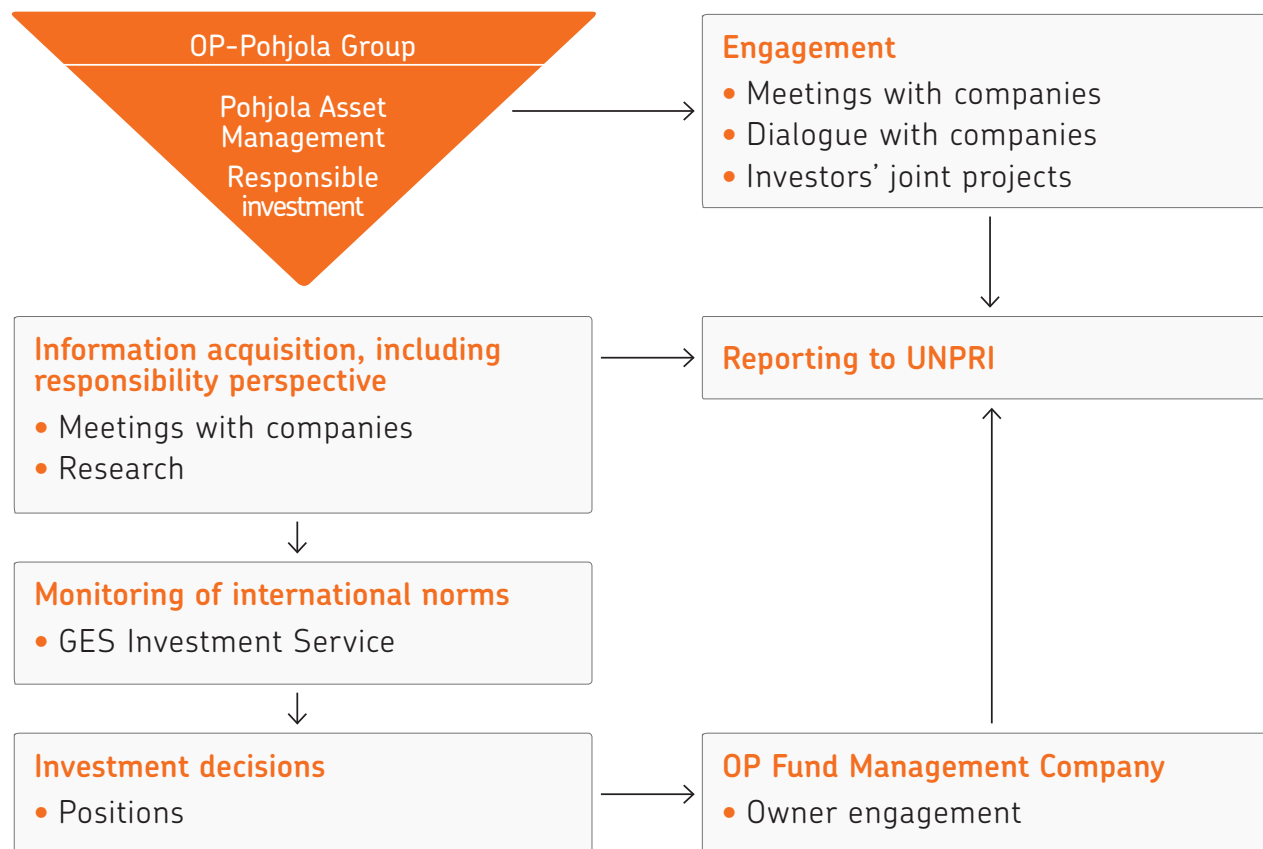
OP-Pohjola Group's wealth management units – OP Fund Management Company and Pohjola Asset Management – have signed the United Nations Principles for Responsible Investment (UNPRI) and work to develop responsible investment accordingly. At Pohjola Asset Management, responsible investment comprises positive and negative screening, tracking of international standards, and active ownership together with OP Fund Management.

OP Fund Management has outsourced the portfolio management of the investment funds it manages, with Pohjola Asset Management taking care of most of them. At OP Fund Management, responsible investment means taking CSR matters into account in the choice of portfolio manager and implementing active and responsible ownership policies.

“OP-Pohjola should take CSR into account in its investment activities and require that investees consider environmental and social values, and monitor actively that the investees live up to these ideals.”

(Customer, materiality assessment)

Responsible investment process



The procedures for responsible investment were revised in 2013. Consequently, processes were defined for monitoring investees' violations of international standards, and for responding to such cases. The decision was made to exclude companies producing anti-personnel mines and cluster weapons from actively managed funds.

During 2013 Pohjola Asset Management again conducted its own ESG survey, gathering information among other things on board remuneration in Finnish listed companies. Additionally OP-Pohjola's stockbrokerage and analysis unit, Pohjola Investment Banking, included ESG themes in its stock analysis for three years. Pohjola Investment Banking's responsibility analysis currently covers all companies in the OMX Helsinki 25 Index, excluding Pohjola Bank. During 2013 the stock analysis organised more than 100 investor meetings with Finnish listed companies, with extensive discussions on responsibility matters and related indicators. The same applied to investor meetings with European listed companies arranged in collaboration with the European Securities Network (ESN).

As usual, Pohjola Asset Management and OP Fund Management took part in the Carbon Disclosure Project and the Water Disclosure Project during 2013. The purpose of these projects is to encourage businesses all over the world to pay attention to the environmental impacts and reporting of their operations and to seek solutions to matters related to climate change and water consumption. As in earlier years, Pohjola Asset Management and OP Fund Management took part in the operations of FINSIF in 2013. The purpose of this forum is to increase awareness of responsible investment in Finland. OP Fund Management and Pohjola Asset Management are two of the forum's founding members.

Pohjola Property Management Ltd, as part of the Pohjola Wealth Management segment, is also committed to the principles of responsible investment and observes them in its real estate asset

management. In the maintenance of its directly owned properties and in its new investments, the company places an emphasis on energy efficiency and waste management together with a technical manager. During 2012 the company initiated a project for further developing the recognition and utilisation of ESG factors in property asset management.

Pohjola Property Management is a widely recognised international operator in indirect property investments. The company's experts actively use their influence in order to make ESG factors be noted by the boards and investment committees of various target funds and companies. In new investments, the company does its best to negotiate the inclusion of ESG factors in the target fund or company's investment activity from the initial agreement stage. The company also strives to agree on regular ESG reporting with the target funds and companies. As part of its indirect property portfolio, Pohjola Property Management administers two funds of funds in the form of limited partnerships, which invest in Europe. Quarterly reports are sent to fund investors on the fulfilment of ESG requirements in the underlying property funds. This is done by agreement with the investors in the fund's investment documentation. Additionally, Pohjola Property Management reports separately on the sustainability of its direct property investments.

Responsible Banking Services

Financing for Private Customers

OP-Pohjola Group's good business practices and ethical lending principles govern activities also in the provision of financing to private customers. Economic and social responsibility are emphasised in these activities. Regulations related to good lending practices and the recommendations of the Financial Supervisory Authority are observed in lending and in related instructions. The OP-Kiinteistökeskus real estate brokerage chain, in turn, is committed to good agency practices and to developing these with

others in the sector. Good agency practice focuses around taking into account the overall interests of customers, whether they are selling or buying.

OP-Pohjola Group operates within private financing with a far-ranging approach, striving to form sustainable customer relations. Credit is only given after thorough analysis of the customer's debt repayment ability. Loans are dimensioned according to the customer's payment ability in such a way that financial buffers are in place in case of interest rate rises and small surprises. Topics discussed through concrete example calculations with the customer include the impact of an increase in interest rates on loan servicing costs and the loan period. OP-Pohjola Group does its best to ensure consumer protection by avoiding excessive credit, also by applying the crediting recommendations of the Financial Supervisory Authority.

OP-Pohjola's extensive selection of products and services forms a solid basis for comprehensive solutions that take into account the credit applicant's best financial interests and safety. Comprehensive financing options mean that customers can consolidate all their loans to OP-Pohjola Group, which makes it easier for them to manage their finances. When negotiating new loans, customers are offered the most suitable financing option for them, on clear and reasonable terms. When credit is given, customers are as a rule told of ways to protect themselves against unforeseen life circumstances and interest rate rises with specifically designed products. Customers also have access to the services of the Group's nationwide real estate agency OP-Kiinteistökeskus, and this makes it exceptionally easy for those planning to change homes to ensure the overall financial success of the process in advance.

Young people in particular need help in financial literacy. The Op.fi service contains plenty of information on applying for and managing loans. The website also has advice for preventing the

appearance or worsening of financial difficulties, and for managing situations of insolvency. Customers who fall into financial difficulties are advised to contact their bank as soon as possible, because early intervention usually means that there are more potential measures available for fixing the situation.

OP-Pohjola Group has formulated guidelines for early detection and fixing of customers' credit problems. Temporary repayment issues are approached in an understanding manner, striving to assist the customer through difficult times by reorganising loans – for example by granting repayment-free periods or extending the loan period. However, if the financial difficulties appear to be permanent, the problem is not ignored and the customer's difficulties are not worsened by providing inappropriate payment period changes or additional loans. If the fulfilment of loan obligations requires the sale of collateral property, customers are usually offered the opportunity to sell it voluntarily first.

Financing for Corporate Customers

The finance industry bears significant indirect social responsibility. In line with the Global Compact, OP-Pohjola is committed to promoting respect for human rights and fundamental values at work, as well as environmental protection and anti-corruption activities. OP-Pohjola's ethical principles and codes of financing incorporate social and environmental responsibility, which act as yardsticks in the making of financing decisions.

Recognising and analysing the environmental impacts of financed projects is also important from the perspective of risk management. The likelihood of environmental risks varies depending on factors such as the project to be financed, the geographical location of the business and the sector. It is crucial for the evaluation to recognise potential risks in major projects and risky sectors. At OP-Pohjola, evaluating recognised environmental risks is a part of the ordinary creditworthiness analysis. Besides making its own

analysis, the company will when necessary require evaluations from independent experts of the environmental risks or the more extensive corporate social responsibility of a business or project. The recognised risks affect the credit decision and, where applicable, loan terms.

A Responsible Financing working group was established at OP-Pohjola in 2012. On the group's request, the loan terms applied in OP-Pohjola's corporate financing were revised, and suggested changes were implemented in some financing agreements in 2013. The changes emphasise the responsibility of the debtor in cases such as compliance with environmental legislation and permits applicable to the business or with specific terms set for the case in question. The changes improved the bank's ability to evaluate lending responsibility by increasing the debtor's information provision obligations (e.g. environmental reporting) and by linking these to the terms on which the loan is obtained or cancelled. The Group is currently evaluating to what extent it should implement the changes in all of its loan agreements.

OP-Pohjola's corporate financing is based on long-term customer relationships, with a geographical emphasis on local areas. OP-Pohjola has considered joining the Equator Principles for project financing, but has not done it so far due to the small number of projects that are covered by the principles. The Group is closely following the development of the Equator Principles, however, and will reconsider the matter when potential new projects arise.

Responsible Insurance Services

The duty of an insurance company is to ensure that customers are sufficiently aware of their risks, and that possible damage does not pose insurmountable financial difficulties to the party suffering the loss. A non-life insurance company covers risks which are too large for the customer to bear. It is also responsible for promoting

the customer's risk management and safety and the prevention of damages. OP-Pohjola maps potential risks and security issues together with the customer, optimising insurance solutions individually for each customer.

During 2013, Pohjola launched a risk management method for corporate customers, which helps companies improve their security processes comprehensively and in new ways. For example, the new risk management method allows for security observations to be made on a mobile basis. Also in 2013, Pohjola presented one national and 18 regional Security Awards to corporate customers that had developed security and risk management in a responsible manner within their companies. With the help of an external partner, in 2013 the Group's insurance functions drew attention to the maintenance of electrical installations and equipment in businesses, on farms and among public bodies. The identification of critical safety deficiencies in churches of high cultural and historical value, followed by repairs carried out by a partner, has prevented extensive damages.

In 2013, the Group launched the Kotiturvapalvelu (Safe Home Service) for private customers. The service improves home safety by offering tools for the prevention or early detection of fires, break-ins and water leaks. In 2014, a similar service will be launched for business customers and tools and methods will be developed for customers to evaluate their own risks and to identify tools for improving their safety.

OP-Pohjola is also focusing on new ways of ensuring the well-being of private customers and of the employees of corporate customers. In 2013 the Group launched a unique package of products for private customers which foster health and well-being and promote recovery. We offer our customers even more extensive treatment for the benefit of their health and well-being. We want to protect our customers' lives from birth to old age, so we are giving up upper age limits for insurance policies almost entirely.

Companies are offered both statutory and voluntary insurances, as well as related services for managing personnel accidents and health risks. We support the well-being of corporate customers' personnel by offering concrete tools for improving management, increasing job satisfaction and enhancing the company's image as an employer, for example.

The Omasairaala day surgery centre opened in Helsinki in early 2013. The centre focuses on the examination and treatment of orthopaedic illnesses and injuries. Omasairaala has succeeded in shortening the treatment chain, i.e. the total duration of incapacity to work, significantly ever since it started operating. Quick access to proper treatment and rehabilitation and swift recovery are important not only for the patient but also for the employer and the society as a whole.

Another objective is to identify risks in work ability and on this basis to focus on reducing these risks and thereby increasing business productivity. Omasairaala aims to provide a peerless customer experience. This is measured with a net recommendation index which can be followed in real time on the Omasairaala website. Omasairaala strives to care for injuries as quickly as possible after an accident. In October 2013 the centre opened an accident station which is open during evenings and weekends.

Ethical Business Operations

OP-Pohjola Group builds long-term customer relationships based on mutual trust. Customer confidence is the prerequisite for successful operations in the financial sector. Bolstered by strong professional skills, the Group bears responsibility for the high quality, expertise and reliability of its services, as well as for the security of its services and products.

Code of Business Ethics

The principles of corporate social responsibility are summarised in OP-Pohjola in a Code of Business Ethics, approved by the Supervisory Board of OP-Pohjola Group Central Cooperative Consolidated. The code provides an ethical foundation for all those employed by OP-Pohjola, whatever their role, position or location. These shared principles rely heavily on the Group's values, and form a significant part of CSR. As of early 2014, the code is published on OP-Pohjola's website op.fi.

An online course on the Code of Business Ethics was launched towards the end of 2012, with the aim of ensuring the adoption of the code throughout the Group. The course was provided in seven languages to make sure that almost every single OP-Pohjola employee was able to take it in his or her mother tongue. By the end of 2013, 80 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' professional expertise, giving a wide range of training opportunities in various areas of banking and insurance, including insider regulations, ethics, data security and legislation.

OP-Pohjola Group is committed to good banking and insurance practices. This requires the application of customer due diligence and awareness of each customer's financial standing to the necessary extent. In 2012 the Group implemented a guide to Handling Conflicts of Interest at OP-Pohjola Group. The instructions describe

methods for ensuring that OP-Pohjola Group complies with legislation, official regulations and instructions, and the principles of ethical sustainability in all its operations.

Anyone who notices practices that violate these principles 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.

Risk Management

Risk-taking is an inherent part of banking and insurance operations. At OP-Pohjola Group, the purpose of risk management is to identify the threats and opportunities affecting the Group's operations. The primary objective of risk management is to secure the risk-bearing capacity of all entities within the Group and to ensure that they are not exposed to excessive risk that may endanger the profitability, solvency or continuity of the entity's operations, or those of the entire OP-Pohjola Group.

The effectiveness of the risk and solvency management efforts of the Group and its organisations is evaluated in an annually updated ICAAP report. Internal audits are conducted each year to examine the state of internal controls and solvency. The ability of the top management to assess the effectiveness of risk management operations is continuously developed.

In making decisions applying to new products, decision-makers must always have access to an assessment of the risks related to the product, approved by the risk management function of the Central Cooperative. The risk assessment process is the responsibility of the business or service unit or organisation that has developed the product. Risk assessment refers to identifying the

risks included in a new product under development, evaluating the scope of potential risks and planning the controls and measures that are needed for managing these risks. Risk assessment must always be carried out before deciding to take a new product into use or, in large-scale projects, before product development begins.

Major new products, services and operating models or significant changes to existing ones are, when necessary, assessed by the Executive Board, which ultimately decides on whether they should be adopted. The Executive Board is informed of significant realised risks (including CSR risks) as a part of monthly risk reviews. Risk maps are updated each year, identifying the main risks applicable to operations. When necessary, this includes CSR risks. These maps are used to conduct an analysis on the basis of which the executive management are informed of critical phenomena. In 2013 the Executive Board was informed of reputation-related risk effects within the scope of CSR.

Regulation of the financial sector sets strict requirements for business operations. As operational risks increase, it is extremely important to identify and assess these risks and to ensure sufficient, functional control and management measures are in place. In its operations, OP-Pohjola takes into account compliance risk as a part of operational risk. The aim of compliance risk management is to ensure that all operations comply with external regulations and internal procedures, and that customer relationships are appropriately handled.

At OP-Pohjola Group, compliance with instructions and regulations is an integral part of daily operations, and its importance will only increase in future. OP-Pohjola complies with industry regulations, good banking, insurance and real estate agency practices, and good stock market practices. In addition, the Group adheres to several acts, as well as regulations and guidelines issued by supervisory authorities. Prevention of money laundering and terrorist financing is a statutory obligation (Act on Preventing and Clearing Money Laundering and Terrorist Financing, 503/2008)

for all those operating in the financial sector in Finland. OP-Pohjola Group sees to it that its employees are aware of the obligations set out under legislation, to the extent necessary for the performance of their duties.

In 2013 OP-Pohjola implemented a policy of requiring compliance approval for investments into so-called tax-efficient regions, which may legally be used to avoid multiple taxation in international investments. Particular attention is paid to responsible investment principles, the Global Compact and the OECD guidelines when investing in offshore areas.

The Operational Risk and Compliance function bears overall responsibility for providing advice on ethical principles. The function operates independently of the business areas. Every employee of OP-Pohjola Group must comply with the following instructions approved by the Group: Good Business Practices and Handling Conflicts of Interest at OP-Pohjola Group. More details on these instructions and their approval can be found in the Annual Report. The Operational Risk and Compliance function offers advice on the application of the instructions. All requests for advice are handled confidentially, but they cannot be made anonymously. Statistics have not been compiled on the total number of requests coming in or on satisfaction with the services.

Customer Satisfaction

OP-Pohjola treats its customers according to good business practices, equally and professionally. Customer satisfaction is monitored through a customer satisfaction survey conducted on a regular basis. Feedback from customers is important and all feedback and complaints are taken seriously.

OP-Pohjola continuously monitors how many customers would be prepared to recommend the Group as a service provider. For OP-Pohjola Group's private customers, the recommendation rate is followed using a continuous tracking survey. In the survey,

respondents grade their main bank and insurance company on a scale of 1–5. The survey was responded to by 9,725 private customers in 2013.

Among corporate customers, measurements of recommendation willingness are taken annually using Net Promoter Score (NPS) surveys. NPS is based on a recommendation question graded on a scale of 0–10. Responses to the survey were received from 1,353 SMEs in 2013.

Responsible Marketing

OP-Pohjola 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-Pohjola also abides by the marketing guidelines of the Consumer Agency and the Financial Supervisory Authority. In marketing, OP-Pohjola 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-Pohjola takes account of this group's general inexperience and limited legal capacity.

“Linking CSR to corporate strategy, risk management and operations should be the focus.”

(Investor, materiality assessment)

Environmental Responsibility

OP-Pohjola's operations have direct and indirect environmental impacts, and the Group is committed to taking account of these. It is important for OP-Pohjola to raise environmental awareness among its customers, offering products and services that allow the Group to mitigate the environmental effects of the entire value chain. E-services and document digitisation play a central role in this.

OP-Pohjola systematically develops its environmental management practices and strives to promote solutions that cause less harm to the environment, such as telecommuting and video conferencing. OP-Pohjola's largest offices have the Green Office environmental system run by WWF Finland, which aims to reduce the environmental impacts of energy consumption, waste production and paper use in offices, and to promote environmental awareness among personnel. The objective is to extend the use of Green Office within the whole Group.

The Group's Vallila offices have LEED certificates, in addition to which the Omasairaala renovation project was carried out in accordance with LEED requirements. For example, the energy consumption of all the major consumption points in the surgical centre (e.g. magnetic resonance imaging, ventilation machine and refrigeration machine) is measured separately. Lighting and material choices as well as the cleaning plan have also been made following LEED requirements.

OP-Pohjola Group's carbon footprint for 2013 was approx. 42,924 tonnes of carbon dioxide equivalent (41,582 CO₂t in 2012). Of the carbon footprint, approximately 74 (73) per cent was caused by electricity and heating in offices, 11.5 (10.5) per cent by transport and 7 (8) per cent by paper use. The error margin of the calculation is 11.5 (13.6) per cent. The Group's objective is to reduce its carbon footprint each year.

Renovation of Offices and Work Methods

The Central Cooperative's offices in Vallila, Helsinki, are being renovated between 2012 and 2015. After the changes, the personnel of the Central Cooperative will all work on the same block and there will be no more travel between two workspaces as of 2015. Within the project, OP-Pohjola is creating a workplace of the future, emphasising interpersonal interaction, technological possibilities and attention to corporate social responsibility.

To reduce the carbon footprint of its own operations, OP-Pohjola has taken into use the LEED environmental classification system granted by the U.S. Green Building Council as proof of the environmental efficiency of buildings. LEED certification was applied for two of the block's buildings in 2013; applications for the other five buildings will be made in the next few years. The A building of the block received gold-level LEED certification in October 2013, and Vääksy 2 in January 2014.

The central location of the block in Helsinki gives good opportunities in terms of public transport use. After the completion of the Vallila 2015 project, there will also be even better opportunities for commuting by bicycle, as the block will contain 900 bicycle parking spaces.

"The key in CSR for a financial supermarket is to decline to finance or insure projects that ruin the environment, even if they produce significant financial gain."

(Member of administration, materiality assessment)



GRI Corporate Responsibility Data

- GRI Performance Indicators
- GRI Reporting Principles
- GRI Content Index
- Global Compact Reporting

GRI Corporate Responsibility Data

OP-Pohjola Group's sustainability reporting has been implemented by integrating it with the Group's annual reporting. The Corporate Social Responsibility Report has been prepared in compliance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Besides new GRI-G4 Guidelines, consideration was also taken of the GRI Financial Services Sector Supplement. OP-Pohjola Group's sustainability reporting also encompasses 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.

GRI Content Index

The GRI content index shows where, in OP-Pohjola Group's annual report, the disclosures referred to in the GRI Guidelines can be found. Standard disclosures are mainly presented in the corporate responsibility section. In addition, standard disclosures are included in the following sections: OP-Pohjola Group in 2013, Business Operations, and Structure and Governance. The GRI content index has been prepared in accordance with the guidelines provided by the GRI Financial Services Sector Supplement.

OP-Pohjola Group's GRI reporting contains all information and indicators, identified by a materiality assessment as being significant to stakeholders and the Group's business operations.

The GRI Content Index can be found at the end of the report.

Management Approaches

At OP-Pohjola, corporate social responsibility management takes place as part of ordinary operational management. The purpose of OP-Pohjola 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.

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

The main environmental impacts caused by OP-Pohjola arise from energy consumption, greenhouse gas emissions and the use of products and services. With responsible products and services, OP-Pohjola 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 the Group with goods and services may also be significant, and this is why environmental requirements set for suppliers play an important role in CSR management.

With regard to social responsibility, some of the major impacts are related to personnel and working conditions, because OP-Pohjola is a large employer. The Group's human resource management practices cover all the CSR aspects identified as material. OP-Pohjola's own operations do not involve any direct human rights risks or impacts of significance.

GRI Performance Indicators

	2011	2012	2013
EC3 Coverage of defined benefit pension plan in excess of obligations (EUR mill.) ¹	71	-6	-4
EC6 Percentage of local suppliers	97	98	99
G4-10 Number of company employees	13,229	13,290	11,983
Permanently employed	12,213	12,468	11,241
Employed for fixed term	1,016	822	742
G4-10 Number of employees			
Full-time	12,149	12,176	11,047
Part-time	1,080	1,114	936
G4-11 Percentage of total employees covered by collective bargaining agreements	..	92%	91%
G4-54 Difference between highest and median annual earnings (only in Finland)	..	..	22*
G4-55 Change in highest and median annual earnings (only in Finland)	..	..	0.9%*
G4-LA1 New employee hires	..	..	1.445*
G4-LA1 Terminated work relationships	..	..	2.720*
G4-LA1 Terminated permanent work relationships	..	..	1.643*
G4-LA1 Turnover of permanent employees	6.4	6.1	9.8**
G4-LA3 Return to work rate after parental leave (only in Finland)	..	..	97%*
G4-LA3 Retention rate after parental leave (only in Finland)	..	..	94%*
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%*

	2011	2012	2013
G4-LA6 Percentage of sick days of regular working hours (only in Finland)	3.5	3.6	3.6
G4-LA9 Percentage of training expenses of the payroll bill (only in Finland)	2.5	2.5	2.0
G4-LA11 Percentage of employees receiving regular performance and career development reviews	90*	87	88
G4-LA12 Breakdown of employees by gender			
Male	27	27	26
Female	73	73	74
G4-LA12 Breakdown of employees by age group			
Under 30 years	17%	16%	15%
30-39 years	21%	25%	27%
40-49 years	25%	23%	21%
over 49 years	37%	36%	37%
G4-LA12 Breakdown of employees by employee category			
Management	2%	4%	4%
Supervisors	11%	10%	10%
Experts	27%	30%	28%
Employees	60%	56%	58%
G4-LA12 Average age of staff	43.0	43.1	43.2
EN3 Energy consumption (GJ) ²	162,229	205,900	179,483
EN15 and 16 Greenhouse gas emissions (tons)	46,369	41,519	42,924

¹ OP-Pohjola Group's Financial Statement, Note 39, Provisions and other liabilities

² Contains: Electricity consumed by office premises in OP-Pohjola Group Central Cooperative Consolidated's use, and by data centres within the Haaga and Teollisuuskatu premises, and heating energy consumed by office premises in OP-Pohjola Group Central Cooperative Consolidated's use.

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

** Excluding business transfers

Indirectly, such impacts may arise from the supply chain or from the operations of investees and financed parties. The major social impacts are related to active fighting of financial crime and abuses, including corruption, and removal of anti-competitive behaviour. The main CSR impact of OP-Pohjola'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-Pohjola Group's management approaches 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 of corporate social responsibility in OP-Pohjola Group comprise the following elements:

- OP-Pohjola's CSR Policies
- UN Global Compact principles
- Code of Business Ethics
- OP-Pohjola's Corporate Social Responsibility Programme

The main management approaches are defined in OP-Pohjola's corporate governance principles. OP-Pohjola's operations are guided by good banking and insurance practices. We comply with laws, standards and regulations and adhere to the principles of honest and fair operations everywhere. The Operational Risk and Compliance function oversees risks and compliance related to CSR.

OP-Pohjola's products and services may lead to economic, social and environmental impacts. At OP-Pohjola Group, corporate financing is guided by ethical principles and guidelines for lending. OP Fund Management Company Ltd and Pohjola Asset Management have signed the UN Principles for Responsible Investment.

In its own operations, OP-Pohjola develops the management of significant CSR aspects by adopting Green Office systems and following LEED requirements.

Impacts related to personnel and working conditions are led through strategic HR alignments an OP-Pohjola's HR Policy. Some of the practical management tools are OP-Pohjola's Principles of Good Management, the remuneration system and policy, a common equal opportunities framework plan, and the OP Academy.

OP-Pohjola 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). It also adheres to the marketing guidelines of the Finnish Consumer Agency. Continuous training is provided to enhance employees' professional expertise, giving a wide range of training opportunities in various areas of banking and insurance, including insider regulations, ethics, data security and legislation.

GRI Aspects in the Financial Sector

The GRI Financial Services Sector Supplement specifies and provides guidance on special issues related to the sustainability 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.

Particular attention is paid to products and services that generate benefits related to social responsibility or environmental impacts, and thereby reduce any negative economic, social or environmental impacts caused by the value chain. A further objective is to describe the share of such products and services in the existing product and service portfolio, as well as how the organisation promotes new sustainable product innovations in the financial sector.

Responsible Products and Services

Responsible products and services are one of the focus areas of OP-Pohjola Group's corporate social responsibility, and responsibility is therefore a critical aspect of product and service development. Many financial services, such as insurance or financial or risk management tools, are responsible in their very nature. Additionally OP-Pohjola actively offers electronic products and services which are beneficial in terms of efficiency and environment. Responsibility is also an indivisible part of the Group's investment operations.

Product Portfolio

Percentage of the portfolio for business lines by sector (FS6)

The Group's product portfolio is composed of various financial sector products and services. The distribution of the product portfolio is shown in detail in Note59 (Segment reporting) to the Consolidated Financial Statements.

Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose (FS7)

OP-Pohjola actively offers young first-time property buyers state-subsidised housing loans (ASP) with favourable terms and conditions. These ASP loans help young people in buying their first home and at the same time teach them about responsible financial management and target-oriented savings. In 2013, a total of 29,144 new ASP accounts were opened in Finland, of which OP-Pohjola accounted for 46 per cent.

Pohjola Bank has in its use EUR 170 million in funding from the Council of Europe Development Bank (CEB), which is mostly intended for social housing provision.

Total value of products designed to deliver a specific environmental benefit (FS8)

Pohjola Bank has a loan agreement with the Nordic Investment Bank (NIB) whose purpose is to transmit funding to corporate and NGO customers of Pohjola Bank for investments into specified initiatives that increase energy efficiency and reduce negative environmental impacts. The credit facility totals EUR 30 million.

In June 2013, the Group signed a deal with the European Investment Bank for a EUR 100 million loan programme, within whose scope funding may be granted on special terms to SMEs in relation to functions such as waste management, energy production, health care services or waterworks.

Auditing

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

OP-Pohjola 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 procedures is evaluated for instance when assessing credit risk, approving new products, business models and systems, and monitoring business ethics. In line with our procurement guidelines, we require CSR compliance with our contractual partners. CSR risks and compliance are assessed as a part of supplier risk assessment.

Pohjola Asset Management's portfolio managers regularly meet with the managements of Finnish, European and Russian investment targets as part of their ordinary investment activities. Typically meetings with Finnish investees take place at least once a year, and European and Russian investees are also met with regularly. Meetings with parties from other markets are less frequent. At the meetings, regular discussions are conducted on the companies' CSR.

Responsible Investment

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 exercises the voting rights of the mutual funds it manages 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. Pohjola Asset Management contributes to the practical implementation of OP Fund Management Company's ownership policy by actively participating in general meetings of Finnish companies, in particular, under the authorisation of OP Fund Management Company. In 2013 OP Fund Management attended 46 Annual General Meetings or Extraordinary General Meeting. Additionally, representatives of OP Fund Management were appointed to the nomination committees of 2 companies in 2013.

One of the most important ways for OP-Pohjola to obtain information on and assess the responsibility of companies to invest in, are meetings with the companies' executives. At year-end 2013, the OP-funds managed by Pohjola Asset Management contained shares from 54 Finnish listed companies. Pohjola Asset Management discussed issues related to environmental and social responsibility with 19 per cent of these during the year.

Pohjola Asset Management and OP Fund Management 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 may encourage or pressure them to address the situation.

Percentage of assets subject to positive and negative environmental or social screening (FS11)

Positive Screening

OP Fund Management Company and Pohjola Asset Management encourage their investees and partners to operate responsibly and in line with international standards. Primarily, the most attractive investment targets in any fund are issuers whose operations are irreproachable in relation to international ethical standards.

Positive screening is particularly visible in the OP-Climat and OP-Clean Water funds. The OP-Climat Fund portfolio 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, in turn, invests in companies operating sustainably in the water resource management field, especially within development of water-saving technology, pollution prevention and construction of reliable water

infrastructures. At the end of 2013, the total value of these funds was EUR 160.3 million or 3,3 per cent of OP Fund Management's equity fund capital.

Negative Screening

Pohjola Asset Management will not make active direct investments in companies that produce 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 Company and Pohjola Asset Management initiated collaboration with the Swedish company GES Investment Service for the purposes of negative screening. GES Investment Service produces continuous analyses of the fulfilment of international standards by investment targets, for use by investors. Additionally, GES Investment Service checks all of

Pohjola Asset Management and OP Fund Management's investments twice a year for any violations. This screening applies to all direct equity and business loan investments managed by Pohjola Asset Management, which at the year-end 2013 totalled EUR 11.4 billion in value, i.e. 32 per cent of all the assets managed by 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.

In accordance with its mission, OP-Pohjola creates local, regional and national prosperity and stability. The Group contributes to regional vitality and builds long-term trust in local communities.

OP-Pohjola generates long-term financial prosperity for its stakeholders. Direct economic effects on stakeholders are indicated in the following table: "Direct Economic Value generated and distributed to stakeholders".

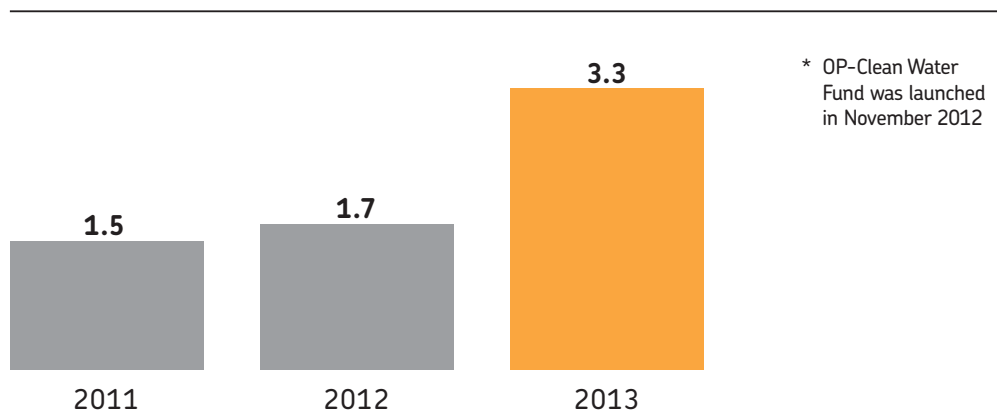
Economic impacts

Economic Impacts (G4-EC1, G4-EC8, G4-FS13)

Economic impacts are created by direct cash flows, such as bonus payments to customers, purchases from suppliers and service providers, employee compensation, tax payments to the state and municipalities, and support for community activities. OP-Pohjola Group's goal is to offer its owner-members the financial sector's best loyalty benefits. OP-Pohjola 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

OP-Climat and OP-Clean Water Fund's share of the capital invested in all equity funds

% *



EC1 Direct economic value generated and distributed to stakeholders

EUR mill.		2011	2012	2013
Direct economic added value created				
a) Income	Customers	2 059	2 271	2 428
Breakdown of economic value added				
b) Purchases	Suppliers	547	575	639
c) Personnel costs	Personnel	696	749	753
d) Returns to owner-members	Owners	176	192	193
e) Income tax for the period*	Government	107	149	133
f) Donations and other community investments	Non-profit organisations	3	3	3
Business development		549	633	808

* Income tax for the period includes income tax for the financial year. Income tax in the income statement also includes changes in deferred tax liabilities and assets recognised in future financial years.

transactions. The Group's cooperative banks and their offices across Finland enable effective interaction with customers and the local community. The Group's member banks had 485 branches at the end of 2013, as well as some 1,570 Otto ATMs (shared between Finland's banks) around the country.

The number of branches fell by 35 during the year. Primarily the Group closed down lesser-used branches which were located either close to another branch or in a sparsely populated area. The number of ATMs fell by around 20. Decisions to close down ATMs are mostly based on usage statistics, but in order to guarantee the coverage of the network, no machines are closed down which are located over 20 kilometres away from the next ATM, regardless of their usage.

OP-Pohjola Group is a significant purchaser of Finnish goods and services. In 2013, Finnish suppliers of goods and services accounted for 99 per cent of the value of purchases made by the Group's centralised procurement. OP-Pohjola Group aims to

further develop its purchasing policy by, for example, applying more detailed guidelines to the assessment of supplier and service provider responsibility.

OP-Pohjola Group is a major employer in many municipalities and, consequently, a driver of the regions' purchasing power. The member banks are often some of the largest taxpayers in their local municipalities, and OP-Pohjola Group as a whole is one of the major taxpayers in Finland. OP-Pohjola also paid EUR 46 million in bank levy and EUR 29.3 million in contribution to the Deposit Guarantee Fund.

OP-Pohjola Group directs economic benefits towards non-profit organisations through support, donations and sponsorship.

In 2013, OP-Pohjola decided to donate over EUR 1 million to the construction of a new children's hospital. Also during the year, the Group donated the subscription fees attributable to the charity portions of the OP-Clean Water fund to the Finnish Association

for Nature Conservation, earmarking it for the rehabilitation of rivers in Ostrobothnia. This sum totalled EUR 6,000 in 2013. The estimated number of hours spent on pro bono work in OP-Pohjola Group in 2013 was 200.

Economic impacts on stakeholders may also be indirect. Such indirect impacts are created through contributions to local and regional economic vitality, as well social contributions. Examples of indirect economic impacts are:

- Employment (creation of new jobs, work placements, summer jobs, apprenticeship training);
- Procurement (purchases from local suppliers and service providers);
- Investments (properties, maintenance, local infrastructure and building projects);
- Financing (financing for start-ups, local financing, ethical lending criteria by sector);
- Tax payments (income tax, bank tax, local taxes, property taxes, other taxes).

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

As a financial sector operator, OP-Pohjola and its products and services have a relatively minor impact on climate change. Environmental risks, on the other hand, including climate risks, can have direct impacts on OP-Pohjola'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-Pohjola and for its manufacturing-related customers, for whom energy prices can be a crucial element in terms of profitability and solvency. It also increases pressure on OP-Pohjola to make energy savings in its own operations.

Physical site risks related to increasingly common extreme weather phenomena are particularly significant for the insurance sector, where increasing environmental risks form a part of the insurance choice and pricing models and the preventive consulting related to site inspections. Extreme weather is also an operational risk included in OP-Pohjola's own continuity planning.

Concerns related to climate change may pose reputation risks if any conflicts with climate change prevention efforts should be identified in the operations of OP-Pohjola or even those of its partners or customers. On the other hand, the general improvement in environmental awareness is bringing new business opportunities, for example in the form of investment products that emphasise environmental responsibility, and diverse property insurances that provide cover from the increasingly common phenomenon of flooding, when the government's flood compensation ceases as of the beginning of 2014.

Coverage of the organisation's defined benefit plan obligations (G4-EC3)

At OP-Pohjola Group, retirement benefits are determined by pension legislation and OP-Pohjola Group's own pension plans. Statutory pension cover for OP-Pohjola's employees is arranged through pension insurance taken out with OP Bank Group Pension Fund or insurance companies. A few companies within OP-Pohjola 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-Pohjola's Financial Statements, note 39 Provisions and other liabilities.

Financial assistance received from the government (EC4)

Pohjola Insurance received approximately EUR 21,000 in de minimis subsidies from the Centre for Economic Development, Transport and the Environment for the purpose of labour recruitment training. OP-Pohjola's telephone and web services also received

around EUR 2,000 in grants from diverse educational institutions for the purpose of customer service personnel training.

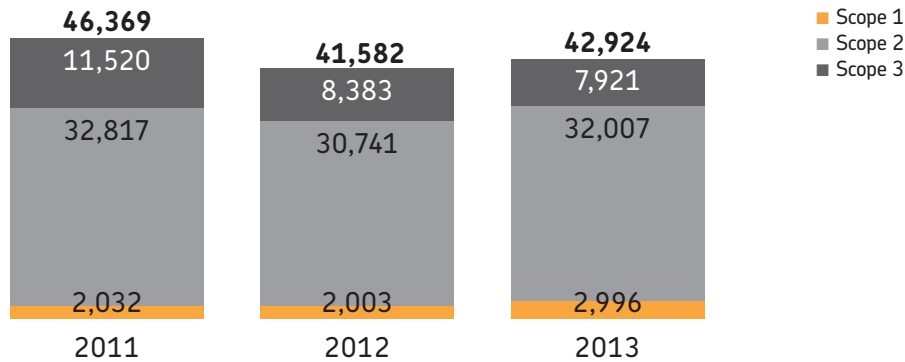
Environmental Responsibility

Carbon Footprint, Greenhouse Emissions Intensity and Reduction Measures (G4-EN6, EN15-19)

The operations of OP-Pohjola Group have both direct and indirect environmental impacts. The 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-Pohjola 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.

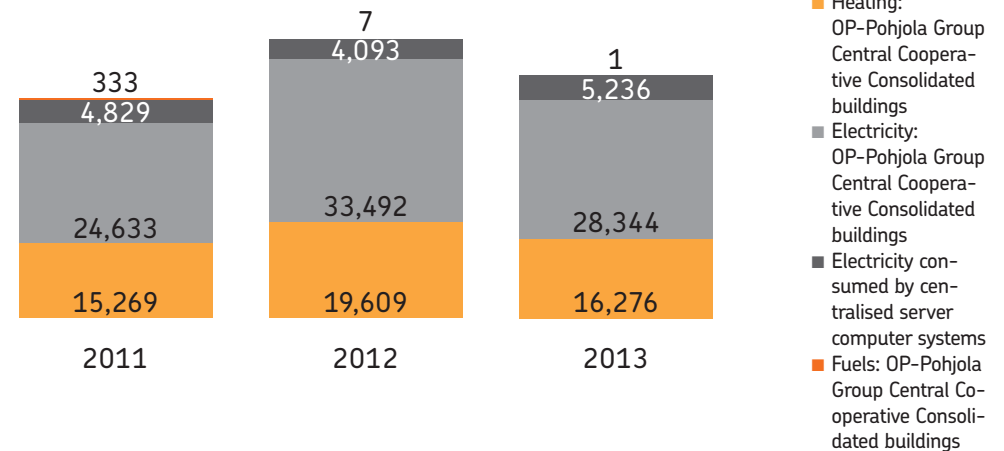
Total greenhouse gas emissions

tonne



Energy consumption

MWh



During 2013, the energy efficiency, waste management and indoor air conditions of the Vääksyntie 2 property in the Vallila block were improved in order to fulfil the requirements of LEED certification. An energy inspection was carried out on the property, which identified actions such as optimisation of HVAC equipment and modernisation of lighting systems which would cause a saving of 508 GJ in energy consumption or around EUR 17,000 in costs and approx. 109 CO₂ tn in emissions. During the year, 184 GJ of these savings were already implemented (46 CO₂ tn).

New parts of the Vallila block were connected to the district cooling network, which reduced annual air conditioning needs by around 11,681 GJ compared to the previous year's consumption. According to the emission factor of the electricity used in the Vallila block in 2013, these savings are equivalent to 555 tn CO₂.

The use of video conferencing equipment spread quickly at OP-Pohjola in 2013. One-to-one instant messaging was by far the most common tool, but more than 50,000 voice or video meetings between three or more people were also held, representing a sharp growth during the year. The reduction of travel for meetings significantly improves work efficiency and reduces transport emissions.

OP-Pohjola Group's carbon footprint (Scopes 1 + 2 + 3) in 2013 totalled approximately 42,924 tonnes carbon dioxide, i.e. 3.5 tonnes per person. The greenhouse gas emissions of OP-Pohjola's own operations (Scope 1+2) totalled 35,003 CO₂e-tonnes or 2.9 tonnes per person.

Energy Consumption (G4-EN3), Energy Intensity (G4-EN5)

The total electricity consumption of OP-Pohjola Group's biggest properties in Helsinki (Vääksyntie 2 and 4, Elimäenkatu 5, Elimäenkatu 15, Lapinmäentie and Hiomotie) was 169,971 GJ in 2013 (199,174 GJ in 2012). The energy intensity (i.e. total energy

consumption per person) was 38 GJ. The change in electricity consumption was largely attributable to the Vallila 2015 property development project, in which old premises in the Vallila block have been renovated or demolished to create new, more efficient buildings.

OP-Pohjola pays attention to the indirect emissions from its operations, based on electricity and heating purchased for the offices and data centres used by its large Helsinki properties and the member banks.

The large Helsinki properties are connected to the district heating network so their fuel management and energy production are the responsibility of the power companies. Indirect energy consumption in these properties totalled 546,097 GJ. Testing of a back-up generator for the Lapinmäentie property used around 1,200 litres of fuel.

An energy tracking system to be commissioned in 2014 will, if possible, also include a system for identifying and reporting on consumption peaks.

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

Out of the emissions listed in the GHG protocol's Scope 3 for calculating the carbon footprint, OP-Pohjola Group takes into account business travel, purchased transports and paper use. The Group has instructions to be applied to business travel by personnel. Business travel caused emissions of 3,378 tn CO₂ in 2013 (2012: 3,880 tn CO₂). 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. Transports run or managed by OP-Pohjola Group caused 12.8 tonnes (2012: 22.1 tn CO₂) and paper consumption 2,884 tonnes (2012: 3,304 t CO₂) of CO₂ emissions in 2013.

Social Responsibility

Employment

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

The number of employees of OP-Pohjola Group fell by 1,307 in 2013. At the year-end the Group employed 11,983 persons (2012: 13,290). Of these, 94 (94) per cent were in permanent employment, while 6 (6) per cent had temporary contracts. In Finland, there were 11,609 employees, in Estonia 134, in Latvia 118, in Lithuania 120 and in Russia two employees.

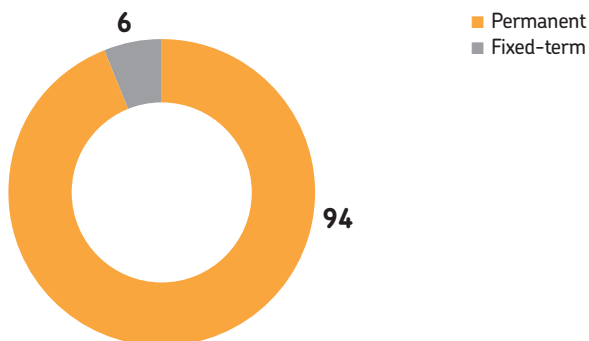
The turnover of permanent personnel excluding business transfers was 9.8 (6.1) per cent, a figure greatly influenced by the results of the employee negotiations of autumn 2012 and the subsequent streamlining-related redundancies. Additionally, 541 employees were transferred from the Group into the employ of partners as a consequence of business transfers.

OP-Pohjola wants to provide equal working opportunities for all employees. In 2013, 74 per cent (73) of the personnel were women and 26 (27) per cent were men. The average age at the end of 2013 was 43.2 years (43.1). The average age of those retiring in 2013 was 61.6 (61.5), and they had been in the Group's service for an average of 34.5 (34.0*) years.

**) The comparative figure for 2012 was revised due to an adjustment of the calculation method.*

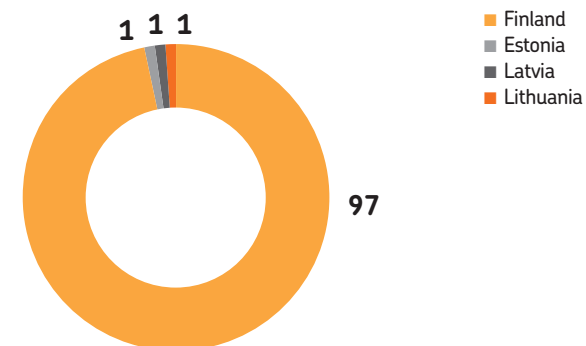
Employees by contract type

%



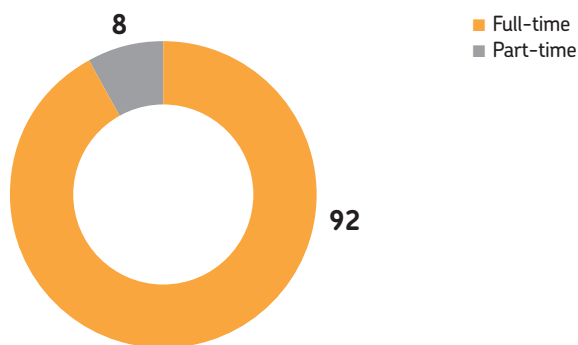
Employees by country

%



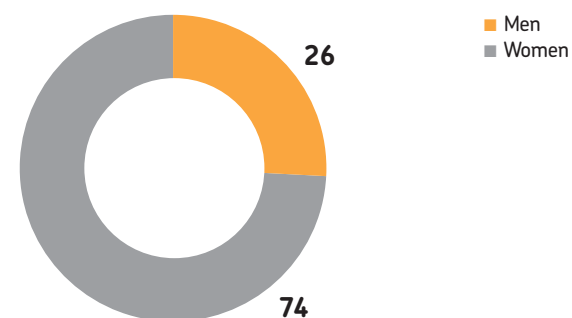
Employees by employment type

%



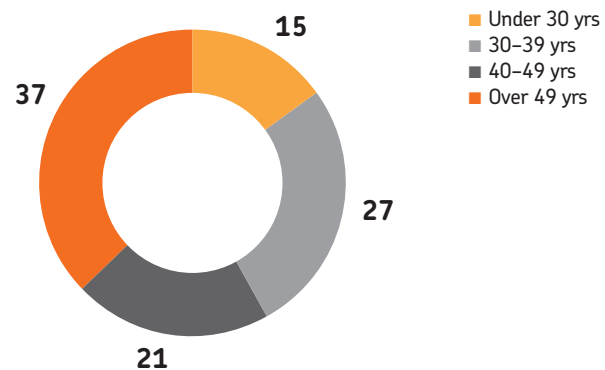
Employees by gender

%



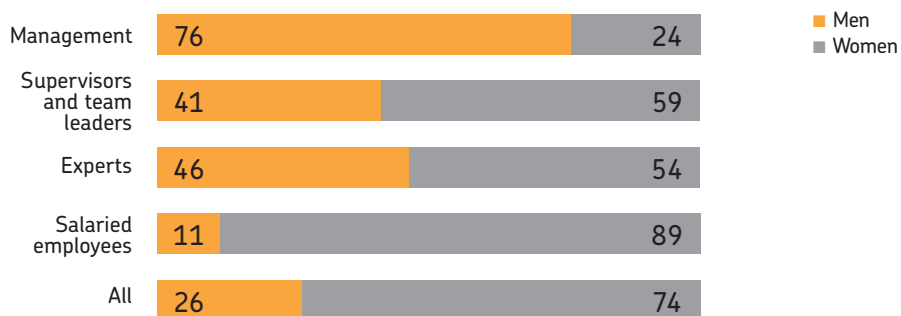
Employees by age group

%



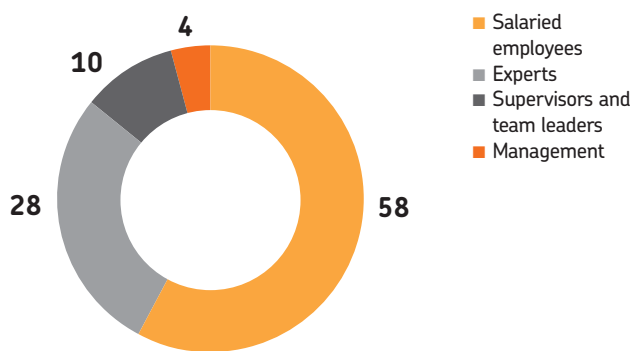
Employees by personnel group and gender

%



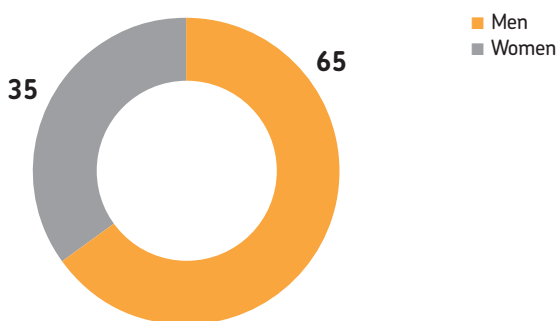
Employees by personnel group

%



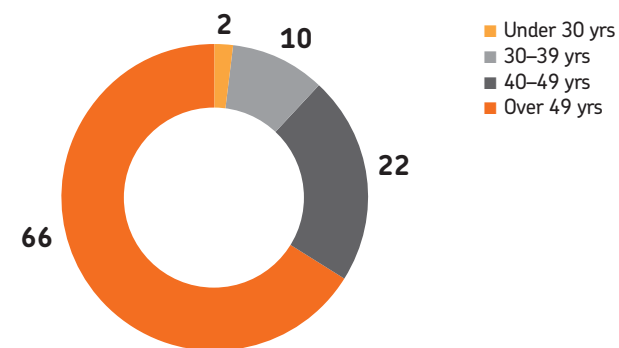
Governing bodies by gender

%



Governing bodies by age group

%



Labour/Management Relations (G4-LA4, G4-11)

OP-Pohjola abides by local legislation in all its operations. In Finland, the main regulations concerning corporate reorganisations are found in the Act on Co-operation within Undertakings. According to the Act, in cases of business transfer, staff representatives must be given one week's notice. Written proposals for personnel negotiations must be submitted to staff representatives five days prior to the start of negotiations.

In Finland, 94% (92) per cent of OP-Pohjola personnel are covered by universally binding collective labour agreements. No binding collective agreements exist in the sector in the Baltic region.

Remuneration*Remuneration Policies for the Highest Governance Body and Senior Executives (G4-51)*

The remuneration of the Executive Board consists of a fixed monthly salary, a variable salary portion and benefits. OP-Pohjola Group's scheme for variable remuneration comprises short-term company-specific incentives and long-term Group-wide incentives. The long-term scheme for the entire OP-Pohjola Group consists of a management incentive scheme and a personnel fund for other staff.

The management incentive scheme consists of consecutive three-year performance periods, the first of which was 2011–13. Those persons included in the scheme will be entitled to receive a certain number of Pohjola Bank plc Series A shares, if OP-Pohjola Group reaches the strategy-based targets set for the respective performance period. The bonus based on the scheme will be paid out to the beneficiary in terms of shares and cash and in three instalments in 2015–2017 after the performance period, provided that the Group's capital adequacy is higher than the internal minimum requirements on the payout date. Bonus payout includes condi-

tions relating to the duration of employment or executive contracts.

OP-Pohjola Group Central Cooperative's Supervisory Board shall decide on salaries and other emoluments and benefits payable to OP-Pohjola Group's Executive Chairman, who also acts as OP-Pohjola Group Central Cooperative's CEO, and to other members and deputy member of OP-Pohjola Group Central Cooperative's Executive Board and to the Chief Audit Executive. A written executive contract, approved by the Supervisory Board, stipulates the terms and conditions governing each Executive Board member's, deputy member's and the Chief Audit Executive's employment.

OP-Pohjola Group's Executive Chairman and CEO received EUR 779,659 in salary, EUR 27,856 in fringe benefits and EUR 669,761 in bonuses under short-term and long-term schemes, i.e. a total of EUR 1,477,276. Other Executive Board members, deputy member and the Chief Audit Executive received EUR 2,089,277 in salary, EUR 94,462 in fringe benefits and EUR 1,178,749 in bonuses under the short-term and long-term schemes, i.e. a total of EUR 3,362,488.

Salaries and bonuses include the amount of the performance-based bonuses for 2011 and 2012 and paid in 2013. A total of EUR 220,498 of the performance-based bonuses earned by the Executive Chairman and Executive Board members in 2012 has been deferred to be paid in three instalments in 2014–2016. This deferment is based on the procedures in accordance with Decree (1372/2010) of the Ministry of Finance on remuneration schemes in credit institutions and investment firms (Valtiovarainministeriön asetus luottolaitosten ja sijoituspalveluyritysten palkitsemisjärjestelmistä). A description of the procedures can be found in Note 57 "Variable remuneration" to OP-Pohjola Group's IFRS Financial Statements 2013.

The Executive Chairman and CEO's retirement age is 62. The other Board members, deputy member and the Chief Audit Executive retire at 63. Pension benefits are determined in accordance with pension laws and OP-Pohjola Group's own pension plans.

The Executive Chairman and CEO is covered by OP Bank Group Pension Foundation's supplementary pension scheme. Pension accrued under the supplementary pension scheme may begin to be paid out as a paid-up pension before the old-age pension, if employment with OP-Pohjola Group terminates.

Supplementary pension for the other Executive Board member, deputy member and the Chief Audit Executive (8 persons) have been arranged through OP Life Assurance Company Ltd. In addition, one Executive Board member is covered by OP Bank Group Pension Foundation's supplementary pension scheme.

Incentive Schemes (G4-52)

Remuneration and rewards at OP-Pohjola 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-Pohjola sets great store by the equality and transparency of its remuneration systems, and employees and employee representatives are actively engaged in the development of practices.

There are joint objectives for long-term remuneration of executive management and personnel. Short-term remuneration is decided on within each company, but the terms of the system are the same, and known to all employees. OP-Pohjola has taken significant steps towards ensuring the uniformity of all its remuneration systems Group-wide. Remuneration systems must be in line with proper, effective risk management, and payment of rewards should be based on performance figures, capital adequacy and any

changes in risk exposure. The tightened regulations in the financial sector also emphasise the importance of linking remuneration to risk management, in addition to engaging and incentivising personnel.

When remuneration schemes are being planned, the HR Management of the parent company in the Central Cooperative Consolidated formulates policies, directions and principles for used in decision-making. New remuneration systems and changes to existing systems, principles or alignments are handled by the remuneration committee in question and presented for decision-making to the appropriate board of directors. Once the principles and policies have been decided on, HR Services is in charge of developing and implementing the system. The use of external consultants is limited and does not apply to decision-making – only, for example, to interpreting regulations. The use of consultants is specified when presenting policies, alignments or principles for decision-making.

How Stakeholders' Views are Sought and Taken into Account (G4-53)

OP-Pohjola Group's remuneration principles and policies are discussed by the Supervisory Board of OP-Pohjola Group Central Cooperative or, depending on the issue, by the chairs of the Supervisory Board or an appropriate remuneration committee, examining the application and the systems and evaluating their suitability. For systems applying to the whole Group, the decisions are made by the Supervisory Board or OP-Pohjola Group Remuneration Committee. The Group Remuneration Committee and the Supervisory Board's Remuneration Committee consist either entirely or partly of owner-members and their compositions are diverse, so the views of stakeholders are extensively reflected in the work of the committees and the board. Within the member banks, remuneration-related decisions are ultimately made by the Board of Directors, which also 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 Central 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 Central Cooperative to a reasonable degree.

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

OP-Pohjola 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-Pohjola 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, chaired by a representative of OP-Pohjola Group, has as its aim increasing occupational well-being among financial sector personnel while improving productivity and competitiveness in the sector.

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-Pohjola's personnel administration and salary policy. OP-Pohjola seeks to pay the same salary for the same jobs.

Education

Competence Development (G4-LA10)

Competence development is one of the strategic areas of focus for OP-Pohjola 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. The OP Academy supports the fulfilment of the strategy by offering a comprehensive selection of training events for people in various positions.

As a major employer in the financial sector, OP-Pohjola offers its employees ample opportunities to develop their skills by transferring from one position to another. 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. The strategy demands that support be provided for internal personnel mobility in future. Employee performance reviews also play an important role in training and education.

Performance Reviews (G4-LA11)

Performance and career development reviews are conducted with all OP-Pohjola Group employees in Finland and overseas.

Society

Total number and percentage of operations assessed for risks related to corruption and the significant risks identified (G4-SO3)

The organisations of OP-Pohjola 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 2013, the 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 organisations' self-evaluations concerning operational risks and their management. In line with the analysis process, each organisation 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 only recognised as a material operational risk in the Pohjola Group's banking operations within the St. Petersburg delegation of the International Partnerships organisation.

In line with the process, the recognised risks are analysed for typical effect, likelihood, maximum effect and effect on reputation. Controls, i.e. various ways of reducing the likelihood of realisation and mitigating the effects of the risk, are also evaluated. Finally the overall risk level is determined, taking into account the aforementioned analyses and controls. In OP-Pohjola Group as a whole, more than 3,000 risks were identified of which less than one per cent were deemed critical in terms of overall risk level. Most of these risks were related to the continuity of operations.

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

The guideline for Handling Conflicts of Interest in OP-Pohjola 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 CEO 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. A compulsory online course for all employees of the Group was implemented to ensure familiarisation with the guidelines at all levels.

Confirmed incidents of corruption and actions taken (G4-S05)

In 2013, two cases were resolved in which persons involved in the Administration of an OP Bank were accused of offences taking place outside the bank. In one of the cases the person in question resigned from the board of the bank, while the other person was deemed innocent by verdict of the Court of Appeal.

Total value of political contributions by country and recipient/beneficiary (G4-S06)

The Code of Business Ethics unequivocally states that OP-Pohjola Group does not support political parties or organisation, and that the Group will not participate in funding individual candidates' campaigns.

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations (G4-S08)

One case: a corporate fine of EUR 15,000 and a personal fine of EUR 5,320. An entrepreneur subcontracted for the demolition of a liquidation property neglected to fulfil statutory waste disposal duties. As the parties commissioning the work, the bank and the CEO of the bank were sentenced to pay fines for environmental damages. The verdict is not yet valid by law.

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-Pohjola 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.

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

During 2013, OP-Pohjola Group was made aware of 10 breaches of customers' privacy. These were situations in which customers were shown other customers' data due for instance to a mailing error or other mistake, or to a customer mistakenly logging in to a web service with another customer's codes. The cases caused no financial damages.

Programmes related to compliance with laws, standards and voluntary principles of marketing communications (incl. advertising, sales promotion and sponsorship materials) (G4-PR7) and Procedures related to responsible development and sale of financial services and products (FS15)

The financial sector is closely regulated and therefore OP-Pohjola complies in all of its operations with laws, standards and voluntary principles. The Group complies in its marketing with marketing legislation and the self-regulation guidelines of international organisations, including those of the International Chamber of Commerce (ICC). The Group also abides by the marketing guidelines of the Consumer Agency and the Financial Supervisory Authority. OP-Pohjola Group received no reprimands related to its marketing communications.

GRI Reporting Principles

This report is OP-Pohjola Group's third Corporate Social Responsibility Report prepared in accordance with the Global Reporting Initiative (GRI) Guidelines. OP-Pohjola enhanced its CSR reporting during 2013 by adopting the new GRI G4 Guidelines. Reporting at OP-Pohjola fulfils the most extensive recommendations for the Financial Services Sector Supplement of the GRI Guidelines (i.e. "in accordance, comprehensive").

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-Pohjola's business.

OP-Pohjola Group's Corporate Social Responsibility Report includes the data for 2013, in accordance with the Group's structure and financial reporting principles. The CSR Report is divided into three parts. Corporate Social Responsibility at OP-Pohjola Group explores corporate responsibility from the perspective of business and strategy. It describes the areas of focus, measures and leadership related to OP-Pohjola Group's CSR Programme based on the principle of materiality. The section on the Corporate Social Responsibility Programme presents the content, most recent measures and targets of the areas of emphasis within CSR at OP-Pohjola. The section on GRI within CSR presents the main aspects identified based on the materiality assessment, with KPIs in accordance with the GRI G4 Guidelines. The Executive Board of OP-Pohjola Group has approved the content of this report and assumes liability for it.

Definition of Materiality (G4-18)

OP-Pohjola 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-Pohjola's operations, products, services 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-Pohjola carried out a stakeholder survey in 2013, whose results are presented in conjunction with the materiality assessment. Additionally, the significance of the aspects was internally evaluated in relation to the Group'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 central content of the CSR report were determined. The Executive Board of the OP-Pohjola Group has checked and approved the outcomes of the materiality assessment. OP-Pohjola's material CSR aspects are presented in the GRI Content Index and listed below.

Identified material aspects (G4-19)

In the process for defining materiality the following GRI-aspects were identified as material for OP-Pohjola's reporting:

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

Entities Included (G4-20, G4-21)

OP-Pohjola Group's sustainability reporting is mainly performed within the same boundaries as the Group's financial reporting. The KPIs and GRI indicators of the CSR Programme are calculated and are presented in accordance with the accounting principles. The boundary applied to environmental responsibility data is different, as these data is based on information from the Group's facilities management services. Detailed energy consumption data is available on the premises of the Central Cooperative, while the member banks' data is based on a survey of a representative sample. Any deviations or limitations in the boundary are reported next to the applicable 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.

KPI Calculation Principles

The "Capital adequacy ratio under the Act on Supervision of Financial and Insurance Conglomerates" was calculated by dividing OP-Pohjola Group's total capital resources by the minimum amount of capital resources. The figures came from the OP-Pohjola Group's consolidated financial statements.

Customer service performance reliability refers to the availability of essential banking and insurance business systems. The availability of business services is reported monthly, by providing the uptime percentage compared to the total minutes measured during that month. The annual figure is the average of the monthly figures.

The figures for "Support for local projects" were derived from accounting records by taking into account donations, awards and sponsorship. Sponsorship classified as sports advertising was

manually removed from the data. Support for local projects does not include the Baltic operations.

Bonuses to owner-members includes bonuses accrued in 2013 by the cooperative banks' owner-members and Helsinki OP Bank Plc's bonus customers.

The percentage of owner-members belonging to banks with a Representative Assembly was calculated based on the total number of approved members of the cooperative banks on 31/12/2013. Banks with a Representative Assembly are those whose rules of procedure include regulations applying to a Representative Assembly.

Job satisfaction is derived from an annual employee survey whose 12 questions are collated to form a job satisfaction index. In 2013, the survey applied to 7,599 employees from OP-Pohjola Group Central Cooperative Consolidated and 3,355 employees from cooperative banks across Finland. The structure of the employee survey changed in 2011, so the previous figures are not comparable.

The average retirement age is an average of the ages of retired personnel on the day of their retirement. The figure does not include Seesam insurance companies.

The numbers of e-invoices received by private customers and sent and received by corporate customers (excluding printing services) are gathered monthly using a service statistics system.

Pohjola Bank's dividend payout ratio is the total dividends paid divided by the net earnings for the period.

For OP-Pohjola Group's private customers, the recommendation rate is followed using a continuous OP-Pohjola tracking study. In the survey, respondents grade their main bank and insurance

company on a scale of 1–5. Those responding that they are "fairly certain" or "completely certain" to recommend the company are counted as recommenders, while those who are "fairly unlikely" or "completely unlikely" are deducted from the figure. The survey received responses from 9,725 private customers in 2013.

Among corporate customers, measurements of recommendation willingness are done annually using Net Promoter Score (NPS) surveys. NPS is based on a recommendation question graded on a scale of 0–10. The NPS figure is obtained by deducting those who are dissatisfied (score of 0–6) from the number of those who are likely to recommend the services (score of 9–10). The survey received responses from 1,353 SMEs in 2013.

The Group's carbon footprint figure includes the Group's direct greenhouse gas emissions (Scope 1) and the Group's indirect emissions resulting from the generation of electricity and heat purchased from other entities (Scope 2). The calculations are explained in more detail in the GRI reporting principles. The calculations do not include the Baltic operations.

The number of employees working in Green Office-labelled offices is calculated on the basis of the numbers reported by the offices concerned.

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 (G4-EC1, G4-EC3, G4-EC4 and G4-EC9)

Data on economic responsibility are based on figures audited for the consolidated IFRS financial statements of OP-Pohjola Group for 2013.

The proportion of Finnish suppliers of goods and services is calculated from purchase data entered in a Group-level purchase accounting system, and refers to suppliers with a Finnish business ID.

Social Reporting

Personnel data were gathered from the SAP Personnel system and from the Baltic Seesam insurance companies. Unless otherwise stated, the figures apply to the whole OP-Pohjola Group.

G4-10. The number of employees is reported for the entire OP-Pohjola 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-Pohjola Group.

G4-54. The ratio between the highest and average salaries apply to Finland.

G4-55. The ratio between the highest and average salaries apply to Finland.

G4-LA1. New and terminated employment contracts are reported for the entire OP-Pohjola Group. The figures do not include internal personnel turnover (when employees change jobs within

the Group). The personnel turnover for permanent personnel does not include business transfers.

G4-LA3. The return to work and retention rates after parental leave figures apply to Finland.

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 programs are reported for the entire OP-Pohjola Group. The employee turnover rate for permanent personnel excludes business transfers.

G4-LA6. The proportion of sickness absences out of regular man-years applies to Finland.

G4-LA9. The training costs in relation to total salary apply to Finland.

G4-LA11. The percentage of employees receiving regular performance and career development reviews are reported for the entire OP-Pohjola Group. Employees who joined the Group after the period covered by the previous performance and career development reviews were excluded from the calculations.

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

The following are included in administration broken down by age and gender: members of the Representative Assembly and Supervisory Board, 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.

Environmental Reporting

Energy and climate (G4-EN4 and G4-EN16)

OP-Pohjola'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 from the Group's operations (Scope 1 – must be included): fuel consumption of emergency power systems and vehicles owned by the Group (incl. vehicles of the Group's leasing company);
- Indirect greenhouse gas emissions from consumption of electricity and heat purchased from other entities (Scope 2 – must be included): electricity and heat on office premises used by OP-Pohjola Group Central Cooperative Consolidated including the Vallila 2015 project (excl. the Omasairaala hospital) and the member banks;
- Other indirect emissions (Scope 3 – inclusion is voluntary): waste and wastewater, electricity consumption in a server room located on a service provider's premises, business travel, purchased transport and mailing, lifecycle emissions of paper consumption.

The following were left out of calculations: specific impacts of the Vallila 2015 project, Omasairaala, energy consumption in holiday properties, in the Kuusiniementie housing corporation and on rented premises for ATMs; overseas operations; commuting; and business travel by train, bus and local transport. Insufficient emission factor data is available for any material consumption other than office paper.

Energy consumption is reported for OP-Pohjola Group's largest properties in Helsinki (Vääksyntie 2 and 4, Elimäenkatu 5 and 15, Lapinmäentie and Hiomotie), because accurate electricity consumption data is available for these.

GRI Level Check / External Assurance (G4-33)

According to the Group's own assessment, CSR reporting at OP-Pohjola fulfils the most extensive recommendations for the Financial Services Sector Supplement of the GRI Guidelines (i.e. "in accordance, comprehensive"). In line with this level, OP-Pohjola reports on those corporate responsibility data and indicators that are material to its operations, in such a manner as to provide an adequate and balanced account of the Group's corporate social responsibility and its impacts.

The report has not been externally assured. The correctness of the presented data has been assured internally. GRI has checked that the materiality assessment corresponds to the GRI G4 Guidelines. This check applied to the materiality of social responsibility aspects (G4-17-23) and the descriptions of data and processes related to stakeholder engagement (G4-24-27). Based on the check by GRI, the OP-Pohjola Corporate Social Responsibility Report for 2013 complies with the principles for content definition of the GRI G4 Guidelines.



GRI Content Index

● Fully reported ● Partly reported ○ Not reported

GRI CONTENT		Page	Coverage	External assurance	Explanation
Strategy and analysis					
G4-1	CEO's Statement	2	●	○	
G4-2	Key Impacts, Risks and Opportunities	6	●	○	
Organizational Profile					
G4-3	Name of the Organization	3-4	●	○	
G4-4	Primary Brands, Products and Services	3-4	●	○	
G4-5	Location of the Organization's Headquarters	3-4	●	○	
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	3-4	●	○	
G4-7	Nature of Ownership and Legal Form	3-4	●	○	
G4-8	Market areas	3-4	●	○	
G4-9	Scale of the Organization	3-4	●	○	
G4-10	Total Number of Employees by Employment Contract, Employment Type, Region and Gender	38	●	○	
G4-11	Percentage of Total Employees Covered by Collective Bargaining Agreements	40	●	○	
G4-12	Organization's Supply Chain	21	●	○	
G4-13	Significant Changes during the Reporting Period Regarding the Organization's Size, Structure, Ownership, or its Supply Chain	Highlights 2013 21	●	○	OP-Pohjola Group Annual Report 2013 > Year 2013 > Highlights 2013
G4-14	Whether and How the Precautionary Approach or Principle is Addressed by the Organization	26-27	●	○	
G4-15	Externally Developed Economic, Environmental and Social Charters, Principles, or Other Initiatives to Which the Organization Subscribes or Which It Endorses	14	●	○	
G4-16	Memberships of Associations and National or International Advocacy Organizations	14	●	○	
Identified Material Aspects and Boundaries					
G4-17	Entities Included in the Organization's Consolidated Financial Statements	Financial statements, note 55	●	○	OP-Pohjola Group Annual Report 2013 > Financial statements > OP-Pohjola Group's IFRS Financial Statements 2013 > Notes to OP-Pohjola Group Financial Statements > Note 55. Holdings in other companies
G4-18	Process for Defining the Report Content	9, 43	●	○	

GRI CONTENT		Page	Coverage	External assurance	Explanation
G4-19	Material Aspects	43	<input type="radio"/>	<input type="radio"/>	
G4-20	List of Entities or Groups of Entities Within the Organization for Which the Aspects Are Material	43	<input type="radio"/>	<input type="radio"/>	
G4-21	List of Entities or Groups of Entities Outside of the Organization for Which the Aspects Are Material	43	<input type="radio"/>	<input type="radio"/>	
G4-22	Effect of any Restatements of Information Provided in Previous Reports, and the Reasons for Such Restatements	No restatements	<input type="radio"/>	<input type="radio"/>	
G4-23	Significant Changes from Previous Reporting Periods in the Scope and Aspect Boundaries	No restatements	<input type="radio"/>	<input type="radio"/>	
Stakeholder Engagement					
G4-24	List of Stakeholder Groups Engaged by the Organization	18–21	<input type="radio"/>	<input type="radio"/>	
G4-25	Basis for Identification and Selection of Stakeholders with whom to Engage	18–21	<input type="radio"/>	<input type="radio"/>	
G4-26	Organization's Approach to Stakeholder Engagement	18–21	<input type="radio"/>	<input type="radio"/>	
G4-27	Key Topics and Concerns that Have Been Raised through Stakeholder Engagement	18–21	<input type="radio"/>	<input type="radio"/>	
Report Profile					
G4-28	Reporting Period	1 Jan–31 Dec 2013	<input type="radio"/>	<input type="radio"/>	
G4-29	Date of Most Recent Previous Report	1 March 2013	<input type="radio"/>	<input type="radio"/>	
G4-30	Reporting Cycle	Annually	<input type="radio"/>	<input type="radio"/>	
G4-31	Contact Point for Questions Regarding the Report or its Contents	viestinta@op.fi	<input type="radio"/>	<input type="radio"/>	
G4-32	GRI Content Index	46–55	<input type="radio"/>	<input type="radio"/>	
G4-33	Policy and Current Practice with Regard to Seeking External Assurance	45	<input type="radio"/>	<input type="radio"/>	
Governance					
Governance Structure and Composition					
G4-34	Governance Structure, Including Committees	Corporate Governance Principles	<input type="radio"/>	<input type="radio"/>	OP-Pohjola Group > OP-Pohjola Group > Corporate Governance > Corporate Governance Principles
G4-35	Division of responsibilities	Corporate Governance Principles	<input type="radio"/>	<input type="radio"/>	
G4-36	Positions with Responsibility	Corporate Governance Principles	<input type="radio"/>	<input type="radio"/>	
G4-37	Processes for Consultation with Stakeholders	Corporate Governance Principles	<input type="radio"/>	<input type="radio"/>	
G4-38	Members of the Board of Directors	Corporate Governance Principles	<input type="radio"/>	<input type="radio"/>	
G4-39	Status of the Chair of the Highest Governance Body	Corporate Governance Principles	<input type="radio"/>	<input type="radio"/>	
G4-40	Election of the Board of Directors	Corporate Governance Principles	<input type="radio"/>	<input type="radio"/>	

GRI CONTENT		Page	Coverage	External assurance	Explanation
G4-41	Processes to Ensure Conflicts of Interest are Avoided and Managed	Corporate Governance Principles	<input checked="" type="radio"/>	<input type="radio"/>	
	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 Principles	<input checked="" type="radio"/>	<input type="radio"/>	OP-Pohjola Group > OP-Pohjola Group > Corporate Governance > Corporate Governance Principles
	Highest Governance Body's Competencies and Performance Evaluation				
G4-43	Highest Governance Body's Collective Knowledge	Corporate Governance Principles	<input checked="" type="radio"/>	<input type="radio"/>	OP-Pohjola Group > OP-Pohjola Group > Corporate Governance > Corporate Governance Principles
	Highest Governance Body's Role in Risk Management				
G4-44	Evaluation of the Highest Governance Body's Performance	Corporate Governance Principles	<input checked="" type="radio"/>	<input type="radio"/>	
	Highest Governance Body's Role in Risk Management				
G4-45	Highest Governance Body's Role in the Identification and Management of Risk	26–27	<input checked="" type="radio"/>	<input type="radio"/>	
G4-46	Highest Governance Body's Role in Reviewing the Effectiveness of the Organization's Risk Management	26–27	<input checked="" type="radio"/>	<input type="radio"/>	
G4-47	Frequency of Risk Reviews	26–27	<input checked="" type="radio"/>	<input type="radio"/>	
	Board's Role in CSR Reporting				
G4-48	Highest Committee or Position that Formally Reviews and Approves the Organization's Sustainability Report	43	<input checked="" type="radio"/>	<input type="radio"/>	
	Highest Governance Body's Role in Evaluating Economic, Environmental and Social Performance				
G4-49	Process for Communicating Critical Concerns	26–27	<input checked="" type="radio"/>	<input type="radio"/>	
G4-50	Nature and Total Number of Critical Concerns that Were Communicated	26–27	<input checked="" type="radio"/>	<input type="radio"/>	
	Remuneration and Incentives				
G4-51	Remuneration Policies for the Highest Governance Body and Senior Executives	40	<input checked="" type="radio"/>	<input type="radio"/>	
G4-52	Incentive schemes	40–41	<input checked="" type="radio"/>	<input type="radio"/>	
G4-53	How Stakeholders' Views are Sought and Taken into Account	41	<input checked="" type="radio"/>	<input type="radio"/>	
G4-54	Ratio of the Annual Total Compensation for the Organization's Highest-Paid Individual and the Median for All Employees	31	<input checked="" type="radio"/>	<input type="radio"/>	
G4-55	Percentage Increase in Total Compensation for the Organization's Highest-Paid Individual and the Median for All Employees	31	<input checked="" type="radio"/>	<input type="radio"/>	
	Business Ethics				
G4-56	Ethics and Integrity	8, 26	<input checked="" type="radio"/>	<input type="radio"/>	
G4-57	Internal and External Mechanisms for Seeking Advice on Ethical and Lawful Behaviour	26	<input checked="" type="radio"/>	<input type="radio"/>	

GRI CONTENT		Page	Coverage	External assurance	Explanation
G4-58	Internal and External Mechanisms for Reporting Concerns about Unethical or Unlawful Behaviour	26	<input type="radio"/>	<input type="radio"/>	
	Disclosures on Management Approach				
	Generic Disclosures on Management Approach (DMA)	11	<input type="radio"/>	<input type="radio"/>	
	Aspect-Specific Disclosures on Management Approach				
	Product and Service Impact				
FS1	Policies with specific environmental and social components applied to business lines	22–25	<input type="radio"/>	<input type="radio"/>	
FS2	Procedures for assessing and screening environmental and social risks in business lines	22–25	<input type="radio"/>	<input type="radio"/>	
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	22–25	<input type="radio"/>	<input type="radio"/>	
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	26–27	<input type="radio"/>	<input type="radio"/>	
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	22–25	<input type="radio"/>	<input type="radio"/>	
	Product and Service Labelling				
FS15	Policies for the fair design and sale of financial products and services	42, 27	<input type="radio"/>	<input type="radio"/>	
	Operational KPIs				
	Product and Service Impact				
	Aspect: Product Portfolio	Identified Material Aspect			
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	22–25	<input type="radio"/>	<input type="radio"/>	
		32–33			
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	22–25, 32	<input type="radio"/>	<input type="radio"/>	Examples of products and services delivering social benefit.
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	22–25	<input type="radio"/>	<input type="radio"/>	
		32			
	Aspect: Auditing	Identified Material Aspect			
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	33	<input type="radio"/>	<input type="radio"/>	
	Aspect: Active ownership	Identified Material Aspect			
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issue	33	<input type="radio"/>	<input type="radio"/>	

GRI CONTENT		Page	Coverage	External assurance	Explanation
FS11	Percentage of assets subject to positive and negative environmental or social screening	34	<input checked="" type="radio"/>	<input type="radio"/>	
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	33	<input checked="" type="radio"/>	<input type="radio"/>	
Economic Responsibility					
Aspect: Economic performance		Identified Material Aspect			
G4-EC1	Direct economic value generated and distributed	34–35	<input checked="" type="radio"/>	<input type="radio"/>	
FSSS: Value generated by the organization's community investment programs and breakdown of community investment by theme					
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	34–35	<input checked="" type="radio"/>	<input type="radio"/>	
G4-EC3	Coverage of the organization's defined benefit plan obligations	34–35	<input checked="" type="radio"/>	<input type="radio"/>	
		Financial statements, note 39			OP-Pohjola Group Annual Report 2013 > Financial statements > OP-Pohjola Group's IFRS Financial Statements 2013 > Notes to OP-Pohjola Group Financial Statements > Note 39. Provisions and other liabilities
G4-EC4	Financial assistance received from the government	34–35	<input checked="" type="radio"/>	<input type="radio"/>	
Aspect: Indirect Economic Impacts		Identified Material Aspect			
G4-EC7	Development and impact of infrastructure investments and service provided primarily for public benefit through commercial, in-kind or pro-bono engagement	17	<input type="radio"/>	<input type="radio"/>	Local projects, investments in an active Finnish payment traffic system.
G4-EC8	Understanding and describing significant indirect economic impacts, including the extent of impacts	34–35	<input checked="" type="radio"/>	<input type="radio"/>	
Aspect: Procurement Practices		Identified Material Aspect			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	21	<input checked="" type="radio"/>	<input type="radio"/>	
Environmental Responsibility					
Aspect: Energy		Identified Material Aspect			
G4-EN3	Energy consumption within the organization	36–37	<input checked="" type="radio"/>	<input type="radio"/>	
G4-EN4	Energy consumption outside of the organization	Data not collected	<input type="radio"/>	<input type="radio"/>	
G4-EN5	Energy intensity	37	<input checked="" type="radio"/>	<input type="radio"/>	
G4-EN6	Reduction of energy consumption	36–37	<input checked="" type="radio"/>	<input type="radio"/>	

GRI CONTENT		Page	Coverage	External assurance	Explanation
G4-EN7	Reductions in the energy requirements of sold products and services	Not reported, because the figure is not applicable to OP-Pohjola's operations	<input type="radio"/>	<input type="radio"/>	
	Aspect: Emissions	Identified Material Aspect			
G4-EN15	Direct greenhouse gas emissions (scope 1)	36–37	<input checked="" type="radio"/>	<input type="radio"/>	
	FSSS: Greenhouse gas emissions relating to business travel and courier services				
G4-EN16	Indirect greenhouse gas emissions (scope 2)	36–37	<input checked="" type="radio"/>	<input type="radio"/>	
G4-EN17	Other indirect greenhouse gas emissions (scope 3)	36–37	<input checked="" type="radio"/>	<input type="radio"/>	
G4-EN18	Greenhouse gas emissions intensity	36–37	<input checked="" type="radio"/>	<input type="radio"/>	
G4-EN19	Reduction of greenhouse gas emissions	36–37	<input checked="" type="radio"/>	<input type="radio"/>	
G4-EN20	Emissions of ozone-depleting substances	Not reported, because the figure is not applicable to OP-Pohjola's operations	<input type="radio"/>	<input type="radio"/>	
G4-EN21	Nitrogen oxide (NOx), Sulphur oxide (SOx) and other significant air emissions	Not reported, because the figure is not applicable to OP-Pohjola's operations	<input type="radio"/>	<input type="radio"/>	
	Aspect: Products and services	Identified Material Aspect			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	22	<input checked="" type="radio"/>	<input type="radio"/>	
G4-EN28	Percentage of reclaimed products and their packaging materials for each product category	Not reported, because the figure is not applicable to OP-Pohjola's operations	<input type="radio"/>	<input type="radio"/>	
	Aspect: Supplier Environmental Assessment	Identified Material Aspect			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	21	<input checked="" type="radio"/>		Included in risk assessments in supplier management and procurement agreements, when necessary.
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	21	<input checked="" type="radio"/>		Included in risk assessments in supplier management and procurement agreements, when necessary.
	Social Responsibility				
	Labour Practices and Decent Work				
	Aspect: Employment	Identified Material Aspect			

GRI CONTENT		Page	Coverage	External assurance	Explanation
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	38–39	<input type="radio"/>	<input type="radio"/>	Personnel structure, turnover is not reported for the period by gender, age or region due to incomplete data available.
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	41	<input type="radio"/>	<input type="radio"/>	
G4-LA3	Return to work and retention rates after parental leave, by gender	31	<input type="radio"/>	<input type="radio"/>	
Aspect: Labour/Management Relations		Identified Material Aspect			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	40	<input type="radio"/>	<input type="radio"/>	
Aspect: Occupational Health and Safety		Identified Material Aspect			
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	31	<input type="radio"/>	<input type="radio"/>	
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	31	<input type="radio"/>	<input type="radio"/>	The report presents the relative proportion of sick days to regular annual working time in Finland. Other G4-LA6 performance figures were not collected.
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	OP-Pohjola Group's business does not include positions with a recognised high incidence or risk of specific diseases.	<input type="radio"/>	<input type="radio"/>	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	41	<input type="radio"/>	<input type="radio"/>	
Aspect: Education		Identified Material Aspect			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	31	<input type="radio"/>	<input type="radio"/>	Training expenses relative to total wage sum in Finland. Specific G4-LA9 performance figures were not collected.
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	41	<input type="radio"/>	<input type="radio"/>	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	31	<input type="radio"/>	<input type="radio"/>	
Aspect: Diversity and equal opportunity		Identified Material Aspect			
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	38–39	<input type="radio"/>	<input type="radio"/>	
Aspect: Equal Remuneration for Women and Men		Identified Material Aspect			

GRI CONTENT		Page	Coverage	External assurance	Explanation
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	41	<input type="radio"/>	<input type="radio"/>	The ratio women's wages to men's wages under collective bargaining agreements in finance and insurance sectors was calculated according to G4 specifications. The information was not disclosed.
Aspect: Supplier Assessment for Labour Practices		Identified Material Aspect			
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	21	<input type="radio"/>	<input type="radio"/>	Included in risk assessments in supplier management and procurement agreements, when necessary.
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	21	<input type="radio"/>	<input type="radio"/>	Included in risk assessments in supplier management and procurement agreements, when necessary.
Aspect: Labour Practices Grievance Mechanisms		Identified Material Aspect			
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	No cases in 2013	<input type="radio"/>	<input type="radio"/>	
Human Rights					
Aspect: Non-discrimination		Identified Material Aspect			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	One allegation inspected	<input type="radio"/>	<input type="radio"/>	
Aspect: Supplier Human Rights Assessment		Identified Material Aspect			
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	21	<input type="radio"/>	<input type="radio"/>	Included in risk assessments in supplier management and procurement agreements, when necessary.
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	21	<input type="radio"/>	<input type="radio"/>	Included in risk assessments in supplier management and procurement agreements, when necessary.
Aspect: Human Rights Grievance Mechanisms		Identified Material Aspect			
G4-HR12	Number of grievances about human rights filed, addressed, and resolved through formal grievance mechanisms	No cases in 2013	<input type="radio"/>	<input type="radio"/>	
Society					

GRI CONTENT		Page	Coverage	External assurance	Explanation
Aspect: Local Communities		Identified Material Aspect			
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-Pohjola's operations	<input type="radio"/>	<input type="radio"/>	
G4-S02	Operations with significant actual or potential negative impacts on local communities	Not reported, because the figure is not applicable to OP-Pohjola's operations	<input type="radio"/>	<input type="radio"/>	
FS13	Access points in low-populated or economically disadvantaged areas by type	34–35	<input type="radio"/>	<input type="radio"/>	
FS14	Initiatives to improve access to financial services for disadvantaged people	22–25	<input type="radio"/>	<input type="radio"/>	
Aspect: Anti-Corruption		Identified Material Aspect			
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	41–42	<input type="radio"/>	<input type="radio"/>	
G4-S04	Communication and training on anti-corruption policies and procedures	41–42	<input type="radio"/>	<input type="radio"/>	Training on prevention of misbehaviour. Training on Code of Business Ethics.
G4-S05	Confirmed incidents of corruption and actions taken	41–42	<input type="radio"/>	<input type="radio"/>	
Aspect: Public Policy		Identified Material Aspect			
G4-S06	Total value of political contributions by country and recipient/beneficiary	41–42	<input type="radio"/>	<input type="radio"/>	
Aspect: Anti-competitive Behaviour		Identified Material Aspect			
G4-S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	No cases in 2013	<input type="radio"/>	<input type="radio"/>	
Aspect: Compliance		Identified Material Aspect			
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	41–42	<input type="radio"/>	<input type="radio"/>	
Aspect: Supplier Assessment for Impacts on Society		Identified Material Aspect			
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society	21	<input type="radio"/>	<input type="radio"/>	Included in risk assessments in supplier management and procurement agreements, when necessary.
G4-S010	Significant actual and potential negative impacts on society in the supply chain and actions taken	21	<input type="radio"/>	<input type="radio"/>	Included in risk assessments in supplier management and procurement agreements, when necessary.
Aspect: Grievance Mechanisms for Impacts on Society		Identified Material Aspect			

GRI CONTENT		Page	Coverage	External assurance	Explanation
G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms Product Responsibility	No cases in 2013	<input checked="" type="radio"/>	<input type="radio"/>	
	Aspect: Product and Service Labelling	Identified Material Aspect			
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	42	<input checked="" type="radio"/>	<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 2013	<input checked="" type="radio"/>	<input type="radio"/>	
G4-PR5	Results of surveys measuring customer satisfaction	27	<input checked="" type="radio"/>	<input type="radio"/>	
FS16	Initiatives to enhance financial literacy by type of beneficiary	17-18	<input checked="" type="radio"/>	<input type="radio"/>	
	Aspect: Marketing Communications	Identified Material Aspect			
G4-PR6	Sale of banned or disputed products	Not reported because the figure is not applicable to OP-Pohjola's operations. The indirect impacts of operations are included in the business process descriptions.	<input checked="" type="radio"/>	<input type="radio"/>	
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 2013	<input checked="" type="radio"/>	<input type="radio"/>	
	Aspect: Customer privacy	Identified Material Aspect			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	42	<input checked="" type="radio"/>	<input type="radio"/>	
	Aspect: Compliance	Identified Material Aspect			
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 2013	<input checked="" type="radio"/>	<input type="radio"/>	

Global Compact Reporting

	Additional information	Page
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Executive Chairman's CSR Statement	2
	Code of Business Ethics	26-27
	Supply Chain	21
Principle 2: Businesses should make sure they are not complicit in human rights abuses	Executive Chairman's CSR Statement	2
	Code of Business Ethics	26-27
	Supply Chain	21
Labour		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Executive Chairman's CSR Statement	2
	Code of Business Ethics	26-27
	Labour/Management Relations	40
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour	Executive Chairman's CSR Statement	2
	Code of Business Ethics	26-27
	Supply Chain	21
Principle 5: Businesses should uphold the effective abolition of child labour	Executive Chairman's CSR Statement	2
	Code of Business Ethics	26-27
	Supply Chain	21
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	Executive Chairman's CSR Statement	2
	Code of Business Ethics	26-27
	Supply Chain	21
	GRI Index G4-HR3	53

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