

OP Financial Group's GRI Corporate Social Responsibility Data 2015

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This report contains OP Financial Group's Corporate Social Responsibility indicators and disclosures on management approach in accordance with the Global Reporting Initiative (GRI) G4 framework. The reporting also conforms with the GRI reporting recommendation for the financial sector. It 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.

Standard GRI G4 disclosures are included in the following sections: the OP in 2015 report, this GRI Corporate Responsibility Data attachment, the Report by the Executive Board and Financial Statements of the OP Financial Group, and the OP Financial Group's Corporate Governance Statement 2015. The GRI Content Index can be found at the end of the report.

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Corporate social responsibility (CSR) lies at the core of OP's operations

Responsibility is one of the fundamental values of OP Financial Group and is deeply embedded in our operations. As a company owned by its customers, we perceive our operations through our dual role: in our business role, we create prosperity that we utilise in our social role. Operating in a social role means taking responsibility, not just for our owner-customers but also for the wider society and the local communities in which we operate across Finland. Responsibility is not limited to our social role – it encompasses all our operations. Our aim is to be a forerunner in CSR in the financial sector.

Responsibility is not measured by words, but by actions. A lot happened in 2015. Our key mission has remained the same throughout our long history: providing financing and insurance for Finnish households and businesses. We wish to be actively involved in the development of Finnish society and the promotion of well-being. Our roots are deeply embedded in Finland, which means taking responsibility for Finns and Finland, even in challenging times. Thanks to our solid capital adequacy, we can provide security for our customers' everyday lives and we have also been able to take exceptional actions when the Finnish economy has been in need of a stimulus. A highly successful example of this was our opening for home loan repayment holidays, which had a significant impact on households as well as the entire economy in 2015.



Significant global steps to combat climate change were taken at the Paris Climate Change Conference. Achieving the targets set at the conference requires efforts from all parties. OP also intends to be actively involved. As part of its climate change prevention efforts, OP announced that it would discontinue active investments in coal; that is, investments in coal mining companies that cannot present a credible plan for reducing their climate impact. In May, we were the first fund management company in Finland to publish the carbon footprint of our funds, thus providing our customers with a new comparative to assess the impact of their investments. The new premises of our central cooperative now use electricity generated entirely from wind power, and we are constantly seeking new ways to reduce our own direct and indirect climatic impact.

In December, we announced a donation of EUR 5 million to support higher education in Finland in the round of financing for universities ending in June 2017. Universities are important actors in their regions, and we believe that education and securing a sufficient level of expertise will contribute to the development and vitality of the entire economy. In OP's view, responsibility for the operating environment also means taking responsibility in the long term. Investing in education perfectly supports this goal.

Our banks provide support that is important for local entrepreneurship, activities for children and young people as well as culture. Last summer, the banks helped secure summer jobs for more than one thousand young people by

financing the "Kesäduuni Osuuspankin piikkiin" project, in which non-profit organisations employed young people aged between 15 and 17, and the cooperative banks paid their wages for two weeks. The campaign provided young people with their first work experience and invigorated the activity of local communities.

This is the second time that the GRI report has been integrated into the annual report and the first time that it has been externally assured. This is our way of increasing transparency in the reporting of CSR issues. We have striven to focus on what is relevant in this report, and hope that the clear structure makes it easy to read. You can learn more about other aspects of CSR in our business operations in the annual report.

We also invite you to follow us on social media channels and engage in dialogue with us. We want to listen to our customers and other stakeholders carefully.

OP was born to be owned by its customers, and we operate out of love for Finland.

Tuuli Kousa
Director, Public Affairs, Media Relations and CSR

 @tuulikousa

” Responsibility is not limited to our social role – it encompasses all our operations.

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CSR management at OP financial group

Corporate social responsibility (CSR) is an essential part of OP Financial Group's operations and strategy. CSR is based on our joint values, solid capital adequacy and good risk management, supported by our customer-owned business model. Our CSR measures encompass economic, social and environmental responsibility. Our aim is to be a forerunner in CSR within our sector in Finland.

OP Financial Group's corporate governance practices mostly cover actions related to CSR management. The main management approaches are defined in OP Financial Group's [Corporate Governance Principles](#). Our 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. The Operational Risk and Compliance function oversees risks and compliance related to CSR, and it also bears overall responsibility for providing advice on CSR principles. The function operates independently of the business areas.

For reporting principles, OP follows the GRI G4 framework and the UN Global Compact and is developing the report in the direction of the IIRC framework. OP also takes into account the Financial Services Sector Supplement of the GRI Guidelines. OP Financial Group's sustainability reporting is mainly performed within the same boundaries as the Group's financial reporting. Any deviations or limitations in the boundaries are reported next to the applicable data.

Organisation of responsibility issues

CSR policies and principles are approved by the Supervisory Board. Strategic CSR management is the responsibility of the Executive Board of OP Cooperative, which also makes strategic decisions on CSR matters. On the OP Cooperative Executive Board, CSR comes under the Chief Communications Officer's remit. CSR issues are discussed regularly not only in the Executive Board but also in business division's executive boards. Day-to-day work concerning CSR is carried out by CSR working groups in the business divisions', chaired by the Head of CSR.

Corporate social responsibility programme

OP's CSR targets are guided and coordinated by the Corporate Social Responsibility Programme, which brings together Group-level CSR results concerning key areas. Five key areas have been defined in the current Corporate Social Responsibility Programme:

- Local presence and society
- Stakeholder responsibility
- Responsible products and services
- Ethical business
- Environment

» [The KPIs of the CSR Programme and the results of 2015 are presented in the OP in 2015 report.](#)

The Corporate Social Responsibility Programme will be updated in 2016.

Assessment of management

Management approach is assessed as part of general leadership practices. Targets and operating principles are updated whenever there are any changes in the operating environment, for example.

International commitments and participation in organisations

In addition to laws and regulations, OP undertakes to comply with international commitments that guide operations. OP signed the Global Compact initiative in 2011, becoming committed to the initiative's ten principles on human rights, labour standards, environment and anti-corruption. The Global Compact's principles have been integrated into OP's new supplier contracts. The principles of the Global Compact have also been taken into account in online training for personnel concerning the code of business ethics. More detailed information on the Global Compact's principles and their application is provided at the end of this report.

OP was among Finland's first asset management companies to sign the UN Principles for Responsible Investment in 2009. Since then, the Group has developed responsible investment practices with even greater determination, and participated in wider development efforts in the sector. OP is also one of the founding members of Finland's Sustainable Investment Forum (FINSIF). OP has also been involved in the Corporate Social Responsibility Team of the Federation of Finnish Financial Services, in Finnish FIBS CR Network and the Corporate Social Responsibility and Co-operative Affairs Working Group of the European Association of Co-operative Banks (EACB).

We actively follow the development of guidelines intended 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.

OP signed the Montreal Pledge in 2015 and thereby committed to measure the carbon footprint of its funds.

As in previous years, OP responded to the CDP survey, which gathers information from large corporations on the effect of climate change on their business and any actions they have taken to combat climate change and reduce greenhouse gases. In 2015, OP's score in the survey was 91/100, while average score of respondents was 84/100.

Key CSR guidelines and principles

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

Risks

Before any new products, services, business models or systems are launched, their risks and any changes in them are assessed. Major new products, services and operating models or significant changes to existing ones are, when necessary, assessed by OP Cooperative's Executive Board, which ultimately decides on whether they should be adopted. The Executive Board is informed of significant realised risks as a part of monthly risk reviews. Risk maps, updated annually, are used to identify the critical risks affecting operations, including environmental, social and 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. The effectiveness of the risk and solvency management efforts of OP 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.

Identifying material aspects

The material aspects for reporting were identified in 2014 in accordance with the requirements of the GRI G4 Reporting Guidelines with the viewpoints of both OP and its stakeholders included. As a result of the analysis, 23 material aspects were identified, and they will be reported on. The aspects, their boundaries and a description of how each aspect was managed are presented in the table on pages 8-15.

The material aspects have been accepted by OP Cooperative's Executive Board.

Code of Business Ethics

The Code of Business Ethics provides a foundation for all those employed by OP Financial Group, whatever their role, position or location. These principles, which apply to the whole Group and its administration, are firmly based on our basic mission and values and form an important part of the responsibility of our operations. The Code of Business Ethics is available on the OP website.

To ensure adoption of the Code throughout the Group, an online course has been launched in seven languages to make sure that almost every single OP employee is able to take it in his or her mother tongue. By the beginning of 2016, 80% (88) 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, insurance and asset management, including insider regulations, ethics, data security and legislation. Anyone wishing to discuss the application of the Code of Business Ethics, or noticing practices that violate the Code of Business Ethics, can discuss it with their line manager, with HR or with Compliance. Confidential messages can also be sent on the matter to the Group's Chief Audit Executive. Situations of actual or suspected conflicts of interest should be reported to both line manager and the Operational Risk and Compliance function or only to the latter, in which case the matter is handled with anonymity for the person making the report. If any examples of continuous or significant violations of the Code of Business Ethics are observed, the Group Supervisory Board cautions the Board of the organisation in question.

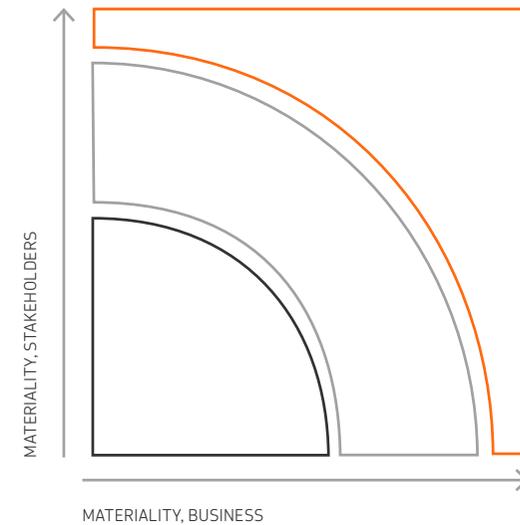
Materiality

Corporate social responsibility (CSR) is an essential part of OP Financial Group's operations and strategy. The basis of CSR is built around our joint values, strong capital base and professional risk management. Our CSR measures encompass economic, social and environmental responsibility. Our aim is to be a forerunner in CSR within our sector in Finland.

The purpose of the CSR materiality analysis is to identify the aspects of CSR that are the most central to OP and its stakeholders. The last time the CSR materiality analysis was carried out was in autumn 2014, when the stakeholder survey was completed by 790 people. The respondents were asked to evaluate, for example, the importance of

responsibility-related factors in OP's operations, and how successful OP has been in its CSR work. The process of material aspect analysis followed the Global Reporting Initiative G4 process in most parts.

OP's Materiality analysis



Disclosure on management approach for material aspects

Identified material aspect	Effects of material aspect and its management approach	Extent of reporting and restrictions	Reporting indicators	Topics in OP's CRS Programme related to the material aspect
ECONOMIC RESPONSIBILITY				
<p>Economic performance</p> <p>Indirect economic impacts</p>	<p>OP as a whole has major direct and indirect economic impacts on both Finnish society as a whole and on local households. Economic responsibility encompasses both the economic sustainability of operations and takes into account of the wider economic impacts on society and the company's stakeholders. The role as a financier and insurer and responsibility for customers are emphasised during difficult economic times in particular.</p> <p>Such indirect financial impacts are created through contributions to local and regional economic vitality, as well as social contributions. Examples of indirect financial impacts include hiring of new employees, purchases, investments, financing and tax payments.</p> <p>Goals and targets: The Group, with a cooperative foundation, aims not to maximise profits for its owners but to provide, as efficiently as possible, the services which the cooperative's owner-customers need. A considerable part of business earnings are returned to the owner-customers. What remains of the earnings is used to strengthen the Group's balance sheet and to ensure our ability to provide credit. We must operate efficiently and competitively while being profitable and having a strong capital base. We must produce the services our customers need at a competitive price.</p> <p>» The financial targets are presented in the IR report</p> <p>Policies and commitments: OP follows the International Financial Reporting Standards (IFRS) applied in the EU.</p> <p>Management: Direct and indirect financial impacts are managed as part of our strategy and business. OP Financial Group reports income statements and balance sheets for the following segments: Banking, Non-life Insurance, and Wealth Management.</p>	<p>OP Financial Group</p>	<p>G4-EC1 G4-EC2 G4-EC3 G4-EC4 G4-EC7 G4-EC8</p>	<p></p> <p></p>

Identified material aspect	Effects of material aspect and its management approach	Extent of reporting and restrictions	Reporting indicators	Topics in OP's CRS Programme related to the material aspect
ENVIRONMENTAL RESPONSIBILITY				
<p>Energy Emissions Effluents and Waste</p>	<p>Of the environmental impact of OP's own operations, heating and electrical energy consumption have the most impact. We aim to reduce our energy consumption and to work in a energy-efficient manner, thereby also saving in costs. OP's operations result in waste, most of which is caused by our own operations. OP's primary objectives are to prevent waste creation, recycle waste, convert waste into energy by burning it, and only if no other alternative is available, take waste to a landfill site. OP's own operations result in greenhouse gas emissions. OP also has indirect impacts through its operating environment, causing greenhouse gas emissions.</p> <p>Goals and targets: OP takes into account environmental effects in all its operations, from product development to services. We will assess environmental risks as part of general risk assessment. We strive to minimise our environmental impact and to reduce our carbon footprint, increase the number of personnel working in Green Office-certified offices, prevent the generation of waste, increase the recovery rate and material recycling.</p> <p>Policies and commitments: OP reports on its emission levels in accordance with the Greenhouse Gas Protocol (GHG), and greenhouse gases are indicated as CO₂ equivalents. Operations are controlled through legislative means by the Act on energy efficiency and the Waste Act, among others. OP's operations are not involved in emissions trading.</p> <p>Management: OP has in place the WWF's Green Office system. Green Office is applied at the Vallila campus and seven banks. Our target is to expand Green Office into more banks. Green Office is one way of expressing our environmentally conscious approach to our employees. As practical tools, our operating premises are also equipped with energy monitoring system, waste reporting, and environmental certification for buildings (LEED). OP has carried out an energy audit, recommended for large enterprises, in accordance with the Energy Efficiency Directive.</p>	<p>OP Financial Group</p>	<p>G4-EN3 G4-EN5 G4-EN6 G4-EN15 G4-EN16 G4-EN17 G4-EN18 G4-EN23</p>	<p>(SR) (EN)</p>

Identified material aspect	Effects of material aspect and its management approach	Extent of reporting and restrictions	Reporting indicators	Topics in OP's CRS Programme related to the material aspect
SOCIAL RESPONSIBILITY				
Labour practices and decent work				
<p>Employment</p> <p>Labour/Management Relations</p> <p>Occupational Health and Safety</p> <p>Training and Education</p> <p>Diversity and Equal Opportunity</p>	<p>Impacts on labour practices and decent work are considerable because OP Financial Group is a large employer. OP Financial Group is a major Finnish employer: the Group employs 12,130 people, 435 of whom work outside Finland.</p> <p>Goals and targets: OP aims to be the most attractive employer in the financial sector and among the most highly regarded large employers in Finland. We want to develop staff competence and continuous renewal throughout the career path into a success factor enabling us to meet the challenges of the changing operating environment and digitalisation while ensuring the required competencies now and in the years to come. We promote equal treatment of men and women and equal opportunities in terms of recruitment, pay and career progress. We take safety and security into account in all of our operations.</p> <p>Policies and commitments: Impacts related to labour practices and decent work are led through strategic HR alignments and OP Financial Group's HR Policy. Cooperation between personnel and the employer is based on local legislation. Responsibility for occupational safety lies specifically with the employer. Occupational safety is based on prevention and planned ways of working.</p> <p>Management: The Group's practical management tools include OP Financial Group's Principles of Good Management, the remuneration system and policy, a common equal opportunities framework plan, and competence development models.</p> <p>Group-level procedures have been agreed for <i>threatening situations</i>, to be applied locally. Procedures and reporting procedures have been agreed for <i>bank robberies</i>. Procedures have been agreed for <i>serious threats</i> in terms of aftercare arrangements and protecting personnel. Customer service personnel must go through the procedures as part of the induction, with annual refresher training. Realised threat situations are entered in the operational risk management system and reported to the Board at regular intervals. The staff's experiences of threatening customer service situations are also monitored by means of personnel surveys. Serious threats are reported to the police. Bank robberies are reported to the Board of Directors in real time and entered in the operational risk management system.</p>	<p>OP Financial Group</p>	<p>G4-LA1 G4-LA3 G4-LA4 G4-LA5 G4-LA6 G4-LA11 G4-LA12</p>	<p></p> <p></p>

Identified material aspect	Effects of material aspect and its management approach	Extent of reporting and restrictions	Reporting indicators	Topics in OP's CRS Programme related to the material aspect
Human rights				
<p>Non-discrimination</p> <p>Human rights grievance mechanisms</p>	<p>These principles, which apply to the whole Group and its administration, are firmly based on our basic mission and values and form an important part of the responsibility of our operations. OP's own operations do not involve any direct human rights risks or impacts of significance. Indirectly, such impacts may arise from the supply chain or from the operations of investees and financed parties.</p> <p>Goals and targets: OP aims to prevent discrimination in all its activities. OP seeks to prevent human rights violations and support the elimination of child labour and forced labour throughout its business operations and supply chain.</p> <p>Policies and commitments: OP's operations are controlled by good banking and insurance practices and financial sector regulations. Prevention of discrimination and protection of human rights are referred to in, for example, the UN Global Compact, UN PRI, ILO's Declaration on Fundamental Principles and Rights at Work , to which OP is committed, and OP's Code of Business ethics.</p> <p>Management: Any suspicions about deviations from the Code of Business Ethics should be raised with HR, your immediate supervisor or Compliance. Personnel may also report any suspected cases of discrimination to the Audit function. Any cases of discrimination reported by customers reach us primarily through requests for clarification sent to us by the authorities.</p> <p>OP expects product suppliers and service providers to conform with OP's Corporate Social Responsibility supplier requirements, Code of Business Ethics and any applicable legislation and international agreements.</p>	<p>OP Financial Group</p>	<p>G4-HR3 G4-HR12</p>	<p>(SR)</p> <p>(EB)</p>

Identified material aspect	Effects of material aspect and its management approach	Extent of reporting and restrictions	Reporting indicators	Topics in OP's CRS Programme related to the material aspect
Society				
<p>Local Communities</p> <p>Anti-corruption</p> <p>Public policy</p> <p>Anti-competitive behaviour</p> <p>Compliance</p>	<p>With regard to OP Financial Group, the major social impacts are related to active fighting of financial crime and abuses, including corruption, and removal of anti-competitive behaviour. OP's effect on society is also witnessed by the fact that OP has Finland's most comprehensive banking and non-life insurance service network. We are strictly against any anti-competitive behaviour, corruption and bribery. OP is very serious about conformance to laws and the Code of Business Ethics. OP Financial Group does not support political parties or contribute to the electoral campaigns of individual candidates.</p> <p>Goals and targets: OP aims to prevent financial crime and abuse and to enable free competition. OP's view is that the financial sector plays a central role in the wellbeing of the economy and in the provision of necessary basic services and opportunities for citizens, companies and institutions. OP Financial Group takes an active part in developing local and regional vitality.</p> <p>Policies and commitments: The organisations of OP Financial Group apply a guideline entitled Procedures for Managing Operational Risk. OP Financial Group does not support political parties or contribute to the electoral campaigns of individual candidates. Our approaches are guided by the UN Global Compact initiative and the OECD Guidelines for Multinational Enterprises, among others. The Code of Business Ethics document ratified by the Supervisory Board of OP Cooperative specifies that employees shall avoid any situation that may put them or OP Financial Group under suspicion of bribery. Our fight against money laundering and terrorism is guided by national legislation, official regulations, national practices and the anti-money laundering and prevention of financing of terrorism operating model approved by the senior management.</p> <p>Management: Entities update their operational risk analyses annually based on the operational risk management guidelines. A compulsory online course for all employees of the Group was implemented to ensure familiarisation with the Code of Business Ethics at all levels. The guideline for Handling Conflicts of Interest in OP Financial Group is intended to prevent cases of corruption. All of the Group's member organisations are responsible for applying the guidelines internally. Each and every executive and employee within the institutions must know the guidelines. Every manager is in charge of supervising compliance with the guidelines, with the 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. OP has a security staff designated for the <i>prevention of abuses</i>, dealing with abuses originating from both within the Group and from outside it. Incidents that fulfil the criteria for crime are always reported to the authorities, to be investigated, and any abuses are reported to the relevant authority, such as the Financial Supervisory Authority, and internally to OP's Executive Board. As prescribed in the Act on Preventing and Clearing Money Laundering and Terrorist Financing, we have put in place customer due diligence systems, ongoing customer due diligence methods and staff training, guidelines and protection. Any suspicious incidents will be reported to the Money Laundering Clearing House as required by law.</p>	<p>OP Financial Group</p>	<p>FS13</p> <p>FS14</p> <p>G4-S03</p> <p>G4-S04</p> <p>G4-S05</p> <p>G4-S06</p> <p>G4-S07</p> <p>G4-S08</p> <p>G4-S011</p>	<p>LP</p> <p>SR</p> <p>RP</p> <p>EB</p>

Identified material aspect	Effects of material aspect and its management approach	Extent of reporting and restrictions	Reporting indicators	Topics in OP's CRS Programme related to the material aspect
Product responsibility				
<p>Product and service labelling</p> <p>Marketing communications</p> <p>Customer privacy</p> <p>Compliance</p>	<p>OP's salaried employees and members of governance bodies are bound to confidentiality by law when in terms of all customer data. OP is committed to responsible marketing and advertising. By law, customers have to be told certain conditions, properties or risks related to a product or service.</p> <p>Goals and targets: Customer-related information is processed with due care. In marketing, OP aims to provide all information on products and services that may be of importance to customers when making decisions. OP encourages its customers to improve their financial literacy. Marketing directed at children and young people is highly restricted. OP takes account of this group's general inexperience and limited capacity to act.</p> <p>Policies and commitments: The Group complies with marketing legislation and the self-regulation guidelines of international organisations, including those of the International Chamber of Commerce (ICC). OP also abides by the marketing guidelines of the Consumer Agency and the Financial Supervisory Authority. Instructions have been provided for conflicts of interest in the Code of Business Ethics. The Act on Credit Institutions defines obligations regarding bank secrecy, encompassing the secrecy obligation concerning a Group customer or personal data in connection with other activities. OP's salaried employees and members of governance bodies are bound to confidentiality by law; bank and insurance secrecy guarantees confidential processing of all customer data. Employees may process customer information only to the extent required by their duties.</p> <p>Management: OP complies with industry regulations, good banking and insurance practices, and good stock market practices. In addition, OP adheres to several acts, as well as regulations and guidelines issued by supervisory authorities. The Code of Business Ethics provides an ethical foundation for all those employed by OP, whatever their role, position or location. Compliance goes through marketing material regularly, making improvement suggestions, which the business units implement without delay. OP is taking part in a nationwide project to improve young people's financial literacy. Local banks give lessons at schools to teach financial skills.</p> <p>Principles are followed as part of normal processes. The principles are updated whenever necessary. OP Financial Group's risk and capital adequacy principles are confirmed by the Supervisory Board.</p>	<p>OP Financial Group</p>	<p>G4-PR3 G4-PR4 G4-PR5 G4-PR7 G4-PR8 G4-PR9</p>	<p>Ⓔ</p>

Identified material aspect	Effects of material aspect and its management approach	Extent of reporting and restrictions	Reporting indicators	Topics in OP's CRS Programme related to the material aspect
Product responsibility				
<p>Active ownership</p>	<p>OP manages customers' assets worth in excess of EUR 68 billion. Active ownership is an integral part of responsible investment</p> <p>Goals and targets: We take the role of active owners, encourage our target companies and cooperation partners to do business responsibly, and we promote responsible investment in the sector.</p> <p>Policies and commitments: OP Fund Management Company exercises the voting rights of the mutual funds managed by it, in accordance with the ownership policy approved by the company's Board of Directors. The Group does its best to discuss grievances directly with the companies prior to AGMs, so that it will be possible to support the Board's proposal if it comes to voting.</p> <p>OP Wealth Management has signed the UN Principles for Responsible Investment (UNPRI). We expect our investment targets to conform with generally accepted international standards such as the Global Compact and OECD's guidelines for multinational companies.</p> <p>Management: Ownership policy is implemented by actively participating in the general meetings of Finnish companies, in particular. One of the most important ways for OP to obtain information on and assess the responsibility of companies to invest in is through meetings with the companies' executives. Systematic monitoring and supervision of ESG criteria of potential and existing investments through an international partner. 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, we will address the situation to correct it. If this does not produce the desired effect, the Committee for Responsible Investment may decide to sell the investment.</p>	<p>OP Fund Management Company</p>	<p>FS10 FS11</p>	<p>ⓇP ⓇB</p>

Identified material aspect	Effects of material aspect and its management approach	Extent of reporting and restrictions	Reporting indicators	Topics in OP's CRS Programme related to the material aspect
Product responsibility				
Auditing	<p>CSR is integrated into daily operations, and 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 approving new products, business models and systems, and monitoring business ethics. Auditing related to ownership has been described under the subject of active ownership.</p> <p>Goals and targets: The goal of OP's procurement function is to ensure that any services, products or rights that are acquired are on the whole cost-effective, of high quality and reliable and ethical and that suppliers are managed professionally to the benefit of OP Financial Group and its customers.</p> <p>Policies and commitments: Procurement decisions are made on the basis of not only procurement guidelines but also CSR supplier requirements.</p> <p>Management: OP's CSR requirements for suppliers are included in the product and service supplier contracts. Suppliers evaluate themselves in terms of corporate social responsibility for the first time when they take part in competitive tendering, and during cooperation with OP on a regular basis as instructed by OP's procurement function. According to the operating model created in 2015, OP audits suppliers in accordance with the CSR audit plan of OP's procurement function. OP Financial Group develops its CSR audit methods as part of its overall management approaches.</p>			<p>SR</p> <p>RP</p> <p>EB</p>

Corporate social responsibility programme codes:

- Local presence and society
- Stakeholder responsibility
- Responsible products and services
- Ethical business
- Environment

GRI indicators

Economic impacts	17
Environmental impacts	20
Social impacts	22



Economic impacts

G4-EC1 Direct economic value generated and distributed

It follows naturally from OP Financial Group's dual role, brought about by customer ownership, that business profits and added value are channelled, via customer relationships, to its members and customers. Member cooperative banks use their profits for the benefit of their customers by providing loyalty benefits and other financial benefits and by maintaining and developing their service capabilities. In 2015, new customer bonuses totalled EUR 197 million, up 4.5% year on year. Furthermore a significant part of OP's economic impacts also involves indirect impacts on local and regional economic vitality. Examples of indirect economic impacts are:

- Employment (creation of new jobs, work placements, summer jobs)
- Procurement (purchases from local suppliers and service providers)
- Investments (properties, local infrastructure and building projects)
- Financing (financing for start-ups, local financing)

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED TO STAKEHOLDERS

EUR million	2013	2014	2015
Finland			
Direct economic added value created			
a) Income	2,450	2,657	2,808
Breakdown of economic value added			
b) Operating expenses	619	661	574
c) Personnel costs	791	741	781
d) Returns to owner-customers	193	195	195
e) Income tax	36	308	249
f) Donations and other community investments	3.0	3.7	2.8
For strengthening capital base and developing business	807	749	1,007

The member banks are often some of the largest taxpayers in their local municipalities, and OP as a whole is one of the biggest taxpayers in Finland. OP Financial Group's income taxes for the financial year 2015 totalled EUR 251 million (337). Following a change in deferred taxes, the Group's income taxes were EUR 249 million (308). The effective tax rate is 22.5% (33.6).



#Paying it Forward

To celebrate its 100th anniversary, OP made a single New Year's resolution: to do one good deed to benefit Kainuu every week, together with Kainuu residents. For instance, we have supplied a children's ward with consumer electronics, arranged an entertainment concert for the elderly, and supported family carers, parents of children with special needs, and mental health care for the young, lists Bank Manager Hanna Niskanen.

- Not all deeds involved material assistance or financial things; our staff have also been great in participating. For example, we have taken senior citizens for a walk, donated blood, and cleaned up playgrounds.

This year, the Good Deed campaign will be continued Group-wide. #hyväkiertämään

G4-EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change

OP's direct impact on environment change is minor. Environmental risks, on the other hand, including climate risks, can have direct impacts on OP's operations, as well as indirect impacts through effects on customers and stakeholders. In emissions and energy intensive sectors, climate change and related regulation may have significant financial effects. Indirect effects on climate change are created through OP financing and investments.

Extreme weather is also an operational risk included in OP'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's 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. Our non-life insurance business continuously monitors the development of risks posed by climate change from the viewpoint of our existing and future insurance products. Our aim is to cover all insurable risks as extensively as possible, also in constantly changing circumstances. OP assesses the financial implications of climate change risks in its annual response to the CDP survey.



The Pohjois-Savon Osuuspankki's Owner-customer is a Benefactor campaign

At the start of September 2015, Pohjois-Savon Osuuspankki launched the local "The Owner- customer is a Benefactor" campaign, where the bank donates EUR 10 to a local cause for each new owner-customer who becomes a member of the bank. The donations are made each month. Customers can suggest donees via the bank's website and Facebook page, and the bank's management chooses the donee from these suggestions. Over 30 customer suggestions were received during the first four months of the campaign.

Almost EUR 12,000 was donated during the autumn of 2015. The campaign's first recipients of the monthly donations were Omaiset Mielenterveystyön tukena ry., the Paediatric Haematology and Oncology Department of Kuopio University Hospital, Save the Children Iisalmi, and the Youth Service Association's Zemppari initiative. The campaign will continue until 30 June 2016.

Indirect economic impacts

G4-EC7 Development and impact of infrastructure investments and service provided primarily for public benefit through commercial, in-kind or pro-bono engagement

OP has Finland's largest network of banking and non-life insurance services. This network seeks to ensure that customers have equal opportunities to carry out transactions. The service network covers both digital service channels (op.fi, OP-mobile and Pivo), telephone services and the network of branch offices. We are further developing our service channels by listening to our customers and their changing needs.

G4-EC8 Significant indirect economic impacts, including the extent of impacts

On 31 December, OP Financial Group had 12,130 employees (12,356). Of these, 93 (95) per cent were permanently employed and 7 (5) per cent were fixed-term employees. Furthermore, the Group employed a total of 483 summer employees and trainees during the year.

OP is also a significant purchaser of Finnish goods and services. In 2015, the combined purchase volume of services, products, rights and the claims service partner network was approximately EUR 615 million (900), provided by over 20,000 suppliers. Apart from this, the Group's functions look after their own fundraising and investment-related acquisitions.

In OP, 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 not only with the supplier requirements introduced in 2015 but also with OP's good business practices and with the Global Compact, as well as with all the applicable laws and regulations. The supplier requirements introduced in 2015 by OP will be included, as specified in the purchase guidelines, into any new product supplier and service provider contracts. Suppliers evaluate themselves in terms of corporate social responsibility for the first time when they take part in competitive tendering, and during cooperation with OP on a regular basis. OP audits suppliers in accordance with the procurement function's auditing plan. In 2014, Finnish suppliers accounted for approximately 98 per cent of the purchases made by the Group's centralised procurement.

» [Read more in the IR-report on impacts of society.](#)

”

In 2015, fifty cooperative banks offered a total of around 1,200 summer jobs to young people aged 15 to 17 in local non-profit organisations. The bank's support to employers was EUR 360 per summer employee.

Environmental impacts

Energy

G4-EN3 Energy consumption within the organisation and G4-EN5 Energy intensity

The total energy consumption covers OP Financial Group's heat and electricity consumption and the fuels of back-up generators in all countries where the Group operates (excluding Russia). In 2015, the total energy consumption was 142,360 MWh, down by 15.2% from the previous year. The consumption monitoring data for 2013 has not been presented because it was incomplete. Consumption on sites not covered by consumption monitoring has been calculated on the basis of specific consumption by type of real property. These sites account for approximately half of the consumption.

The electrical energy for the Vallila campus and the data centres is generated entirely through wind power. The energy intensity, or total energy consumption per employee, of OP Financial Group offices amounted to 11.7 MWh/year/person. Testing of a back-up generator for the Vallila property used around 600 litres of diesel.

G4-EN6 Reduction of energy consumption

The Vallila campus, completed in 2015, was built in conformance with our energy and environmental principles. The Vallila campus project received a LEED certificate with a Gold rating. The lighting, for example, uses LED technology, controlled with motion sensors. The property was connected to a district cooling network.

TOTAL ENERGY CONSUMPTION IN OP FINANCIAL GROUP

	2014	2015
District heating	77,716	73,400
District cooling	2,868	2,670
Fuels (Heating and reserve power)	6,946	7,060
Electricity	80,311	59,230
Total (MWh)	167,841	142,360



The Päijät-Häme Vesijärvi Foundation was established in 2008 to support the rehabilitation of the local waterways. *Päijät-Hämeen Osuuspankki* has been an annual supporter of the foundation from the beginning. Comprehensive and extensive rehabilitation measures will be taken in the rehabilitation of Lake Vesijärvi, combined with an assessment of their impact and communicating the said measures to the public. While the algae problems of the lake have been significantly reduced and the water has become clearer, residents' awareness and willingness to act to the benefit of the lake has also increased. For its part, OP wishes to be involved in the project. The rehabilitation of Lake Vesijärvi has become a source of pride in the Lahti region.

Emissions

G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1) and G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2) and G4-EN18 Greenhouse gas (GHG) emissions intensity

Direct greenhouse gas emissions (scope 1) are created by company vehicles and fuel consumed by standby generators for the premises. Energy indirect greenhouse gas (GHG) emissions (scope 2) are the result of electricity and heating energy consumption in the premises. Energy for the Vallila campus was generated entirely by wind power in 2015.

The emission factors used in emission calculations are based on the 2014 District Heating Statistics, the IEA district heating data for 2013, the Eurostat data for 2012, the Ecoinvent database and, with respect to green electricity, data provided by the Finnish Green Building Council (FIGBC).

SCOPE 1 AND 2 EMISSIONS, TONS OF CO₂E

	2014	2015
Scope 1	1,800	1,775
Scope 2	37,114	23,446
Intensity CO ₂ e tons per person	3.1	2.08

G4-EN17 Other indirect greenhouse gas emissions (scope 3)

For indirect greenhouse gas emissions (scope 3), the following sub-areas have been calculated.

SCOPE 3 EMISSIONS, TONS OF CO₂E

	2014	2015
Purchased products and services	2,266	2,508
Waste from operations	598	609
Business travel	2,408	2,622

Purchased products and services include emissions generated by used office stationery, mail transport services, external data centres and customer magazines.

With respect to indirect emissions, we also calculate emissions generated by equity funds. The related reports are published on the op.fi website.

G4-EN19 Reduction of greenhouse gas emissions

OP's corporate responsibility programme has set a target to reduce the carbon footprint of its own operations annually. The direct greenhouse gas emissions from OP's own operations (Scopes 1+2) totalled 25,221 CO₂e-tonnes (38,914) or 2.08 tonnes (3.1) per person. These emissions (Scopes 1+2) have decreased by approximately 28% from 2011 (comparative 2011 34,847 tonnes of CO₂e). In 2015, the electricity consumed by the Vallila premises was generated entirely by wind power. In 2014, the emission impact was 3,284 CO₂e-tonnes.

The CO₂ emission limit for the OP Central Cooperative's company cars is 150 g/km. At the end of 2015, the average CO₂ emissions of company cars equalled 130 g/km (137).

In 2015, business travel caused 2,622 tonnes of CO₂ emissions (2,408). OP uses video and online conferencing technology to reduce business travel. Its travel guidelines state that trains or buses must be favoured for travel within Finland. OP Cooperative employees have access to travel cards to encourage the use of public transport for commuting.

OP is an indirect opinion leader in encouraging customers to take environmental impacts into account when making financing, insurance and investment decisions, and in recommending the use of e-services and electronic documents.

Waste

G4-EN23 Total weight of waste by type and disposal method

In 2015, the OP offices managed by OP-Services in the Helsinki Metropolitan Area generated a total of 1,089 tons of waste (1,573). 79% (81) was recycled or reused. The amount of hazardous waste was 14.4 tons.

Social responsibility

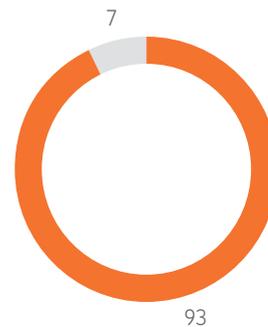
G4-10 Total number of employees by employment contract, employment type, region and gender

The number of personnel employed by OP Financial Group fell by 226 in 2015. At year-end, the Group employed 12,130 persons (12,356). 93% (95) were permanently employed. Of Group employees, 11,695 (11,915) were based in Finland, 191 in Estonia, 112 in Latvia, 130 in Lithuania and two in Russia.

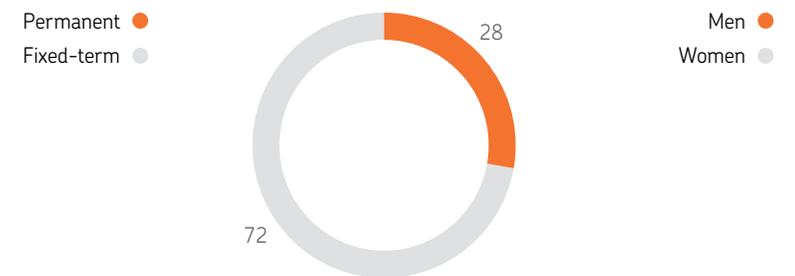
	Men	Women	Total
Permanent full-time employees	3,066	7,540	10,606
Permanent part-time employees	54	664	718
Fixed-term full-time employees	188	459	647
Fixed-term part-time employees	54	105	159
Total	3,362	8,768	12,130

	Men	Women	Total
Finland	3,237	8,458	11,695
Estonia	50	141	191
Latvia	29	83	112
Lithuania	46	84	130
Russia	0	2	2
Total	3,362	8,768	12,130

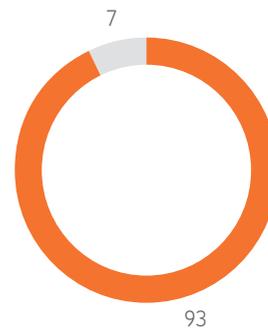
WORKFORCE BY CONTRACT TYPE, %



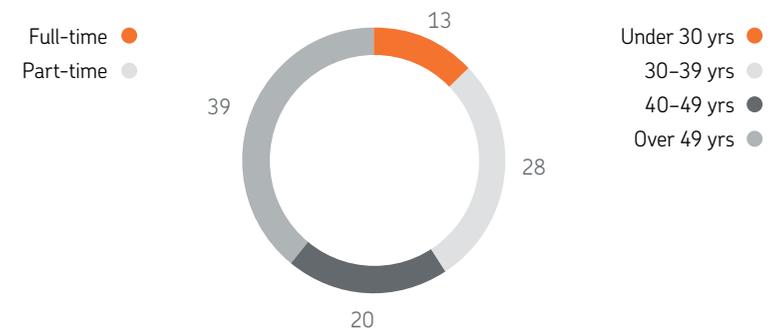
WORKFORCE BY GENDER, %



WORKFORCE BY EMPLOYMENT TYPE, %



WORKFORCE BY AGE GROUP, %



Labour practices and decent work

G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region

Without the effect of the business transfers, the annual turnover of permanent employees equalled 8.3% (8.1). During the year, a total of 243 employment relationships ended, 63 for production-related reasons and 180 through voluntary arrangements. Business transfers also resulted in the transfer of 105 employees to the employment of another company.

G4-LA3 Return to work and retention rates after parental leave, by gender

In 2015, a total of 1,112 people were on parental leave, 812 of which were women and 300 men. 100% of men and 94% of the women whose parental leave ended in 2015 returned to work. In 2014, the corresponding rates were 87% for men and 93% for women. These figures only include employees within Finland and exclude any OP-Kiinteistökeskus employees.

G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

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

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

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

At OP Financial Group, the percentage of the total workforce represented in health and safety committees is 87% of the entire Group personnel. The central cooperative has its own health and safety committee, and so do all banks with more than 20 employees.

G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities, by region and by gender

In 2015, sickness absences accounted for 3.5% (3.5) of regular working hours. For men, the proportion of sick leaves was 1.8% (1.8) and for women 4.1% (4.1). Sickness absences have remained at the same level throughout the 2010s. The figures are for Finland, excluding the personnel of OP-Kiinteistökeskus.

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

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

NEW FIRST-TIME WORK RELATIONSHIPS IN FINLAND AND THE ENTIRE GROUP

	Men (Finland)	Women (Finland)	Total Finland	Men	Women	Total
Under 30 years	244	371	615	256	385	641
30–39 years	70	115	185	72	128	200
40–49 years	37	64	101	37	65	102
Over 49 years	26	39	65	27	45	72
Total	377	589	966	392	623	1,015

services industry at Omasairaala. These agreements contain regulations on, for example, the implementation of cooperation in occupational safety and health matters and the status of industrial safety delegates and ensuring their operating conditions. As a large-scale financial sector employer, OP Financial Group plays a major role in developing the industry.

G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

OP Financial Group offers personnel, supervisors and management a variety of ways to develop their competencies. One of the key methods of employee competence development is the provision of versatile career opportunities through job rotation within the Group.

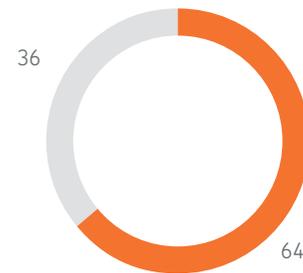
Competence development makes use of digital media in particular, such as videos and online material. A new online learning environment was introduced in 2015, enabling a new kind of interactive way of learning and more flexible studying. Other development techniques, such as mentoring, coaching and 360 assessment is used in competence development, and attention is paid to target-oriented on-the-job learning. Employee performance reviews also play an important role alongside training and education. The entire OP personnel in Finland and abroad have performance and career development reviews at least once a year.

The aim of OP Financial Group's operating model for the management of employee wellbeing is to increasingly ensure, through close and well-organised management of occupational safety and health and wellbeing at work, the work ability of the elderly and those at risk of work disability and

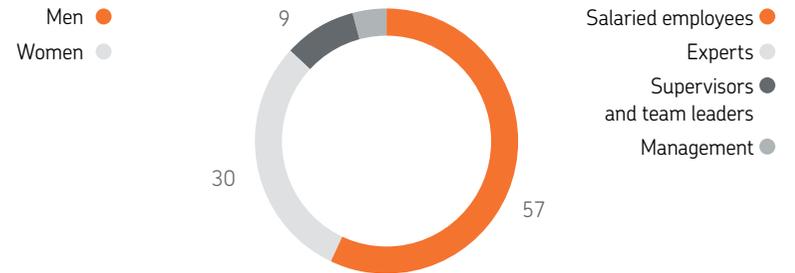
the labour market competency of those at risk of unemployment. If there is no more work due to production-related and financial reasons and an employee becomes under the risk of unemployment, he or she has the opportunity to get

a support package and coaching that supports his or her employment. Key employee wellbeing elements include the early support model, occupational health care, rehabilitation, flexibility at work and diversity management, among others.

GOVERNING BODIES BY GENDER, %



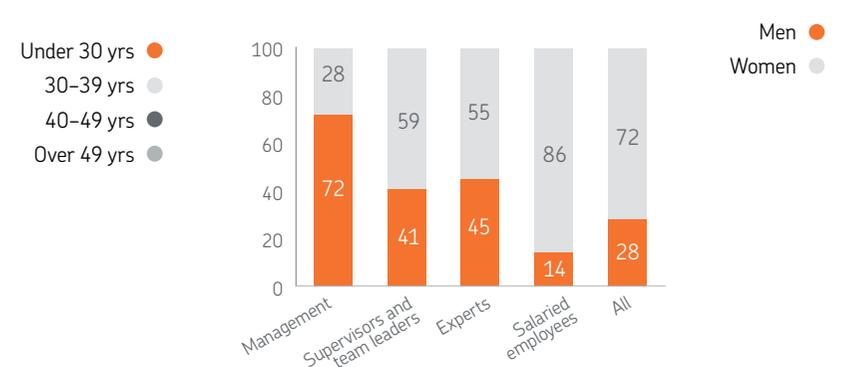
WORKFORCE BY PERSONNEL GROUP, %



GOVERNING BODIES BY AGE GROUP, %



WORKFORCE BY PERSONNEL GROUP AND GENDER, %



G4-LA11 Percentage of employees receiving regular performance and career development reviews

Employee performance reviews are an integral part of performance management. These include the goal-setting review, the performance review and the competence and follow-up review. In the future, other reviews related to personal development and performance will also be included. The first review of the year sets targets for the coming period, the second deals with competencies and realisation of targets in the current period, and a year-end review summarises the past period.

OP Financial Group had two organisation-wide personnel surveys in 2015: Personnel Survey and Personnel Pulse.

The purpose of the Personnel Survey is to give concrete and easily applicable information about management, personnel commitment, the organisation's ability to reinvent itself, and a customer-focused approach as a basis for development. The Personnel Survey acts as a tool for line management, supervisors and HR, creating summaries and analyses of the personnel's views. OP's Personnel Survey was participated in by the central institution, 74 banks or OPKKs.

The Personnel Pulse gauges employee sentiment briefly and quickly. The Personnel Pulse is an employee wellbeing tool designed mainly to support immediate superiors. The Personnel Pulse helps to elicit information on employee wellbeing, job satisfaction, opinions and experiences related to leadership work that can be used as the basis for improvements several times a year. The aim is to provide management and supervisors / team leaders the opportunity for proactive measures and fast responses.

EMPLOYEES WHO HAVE HAD A PERFORMANCE REVIEW (AND THOSE WHO HAVE JOINED THE GROUP SINCE THE PREVIOUS PERFORMANCE REVIEW PERIOD) ACCORDING TO OP FINANCIAL GROUP'S PERSONNEL SURVEY

By gender	2015
Women	85%
Men	81%
Total	83%

By position	2015
Employee	83%
Expert	83%
Supervisor	90%
Management	91%
Total	83%

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

The average age of the OP Financial Group's personnel was 43.8 years. At the end of 2015, 72% of OP Financial Group's personnel was women and 28% men.

PERSONS WITH AN EMPLOYMENT CONTRACT

	Men	Women	Total
Under 30 years	465	1,097	1,562
30–39 years	1,083	2,335	3,418
40–49 years	691	1,685	2,376
Over 49 years	1,123	3,651	4,774
Total	3,362	8,768	12,130

	Men	Women	Total
Managers	361	137	498
Supervisors	433	634	1,067
Experts	1,629	1,995	3,624
Officials	939	6,002	6,941
Total	3,362	8,768	12,130

MEMBERS OF GOVERNING BODIES

Representative Assembly, Supervisory Board and Board of Directors	Men	Women	Total
Under 30 years	55	45	100
30–39 yrs	362	289	651
40–49 yrs	795	643	1,438
Over 49 yrs	2,985	1,398	4,383
Total	4,197	2,375	6,572

Human rights

Non-discrimination

G4-HR3 Total number of incidents of discrimination and corrective actions taken

No new cases of discrimination were reported through what is now the Non-Discrimination and Equality Board, or through HR or any audits. A claim made in 2014 against OP Financial Group about discrimination has been appealed to the Administrative Court of Helsinki on 23 January 2015.

Society

Local communities

FS13 Access points in low-populated or economically disadvantaged areas by type

OP has Finland's largest network of banking and non-life insurance services. This network seeks to ensure that customers have equal opportunities to carry out transactions. Our cooperative banks and their offices across Finland enable effective interaction with customers and the local community.

The Group's member banks had some 450 branches at the end of 2015, as well as some 1,465 Otto ATMs (shared between Finland's banks) around the country.

FS14 Initiatives to improve access to financial services for disadvantaged people

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

In the Baltic countries, our branches serve customers in local languages, while our electronic services are available in English.

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

Anti-corruption

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

The organisations of OP Financial Group apply a guideline entitled Procedures for Managing Operational Risk. The Central Cooperative formulates a risk analysis plan indicating which entities are to be analysed. If necessary, the entities to be



OP Etelä-Karjala supports young entrepreneurs starting up their own businesses with its StartupMill project

The StartupMill premises in Skinnarila, Lappeenranta, are offered to young, competence-based start-up businesses. A company can receive financial support from OP Etelä-Karjala for the payment of rent for a period of three to six months.

analysed can be agreed with the Group's member organisations. Owing to delays with a system update concerning operational risk management, the majority of the Group companies' risk assessments (a total of about 260) will be updated in 2016. 24% of Group companies completed a risk assessment in 2015.

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 has not been a significant risk in any of the risk assessments.

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

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

The guideline for Handling Conflicts of Interest in OP Financial Group is intended to prevent cases of corruption. All of the

Group's member organisations are responsible for applying the guidelines internally. Each and every executive and employee within the institutions must know the guidelines. Every manager is in charge of supervising compliance with the guidelines, with the 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. By the end of 2015, the course had been taken by 80% of the personnel.

Anti-competitive behaviour

G4-S07 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes

OP has no pending legal actions related to anti-competitive behaviour, anti-trust or monopoly practices.

Late in 2015, OP was requested to respond to allegations that it was engaged in monopoly practices.

According to a competitor, OP has a monopoly position in retail banking services and is abusing this position by combining retail banking services with non-life insurance services. OP has also been claimed to offer non-life insurance services below production costs. OP wants to cooperate with the Finnish Competition and Consumer Authority and provide them with any information they may need.



The Taloustaito project for giving financial advice to young people at risk of becoming marginalised

OP has been involved in the Taloustaito project, where practical financial advice is given to young people at risk of becoming marginalised and who have significant shortcomings in their everyday financial management skills.

Managing one's finances has an all-encompassing impact on the everyday life of a young person, and those in the target group need a lot of support in this matter. Losing one's credit rating makes getting a rental apartment or home insurance, for instance, much more difficult. There are numerous volunteer workers at the banks with both the skills and the will to use their professional know-how to support young people.

Product responsibility

Product and service labeling

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

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

Customer privacy

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

No written customer complaints were received in 2015. OP detected a few cases in breach of customer privacy protection. These concerned two information bulletins that were emailed to customers with all the recipients visible to all, and two institutional customers' balance statements being sent to the wrong customers. These were cases of human error.



Lessons for Year 9 pupils

Last year, 61 lessons in managing one's own finances were arranged in the OP Etelä-Häme region. These lessons included basic banking and insurance services for young people, online security, and securing one's future by keeping one's credit history clean, for instance. The lessons also involved discussions on whether to rent or purchase an apartment.

Active ownership

FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues

OP Fund Management implements its ownership policy by actively participating in the general meetings of Finnish companies, in particular. One of the most important ways for OP to obtain information on and assess the responsibility of companies to invest in, are meetings with the companies' executives. At year-end 2015, the OP funds managed by OP Asset Management contained shares from 62 Finnish listed companies. OP Asset Management discussed environmental and social responsibility issues with 16 per cent of these during the year.

OP also has other 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, OP will influence them to address the situation. If this does not produce the desired effect, the Committee for Responsible Investment may decide to sell the investment.

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

Positive screening

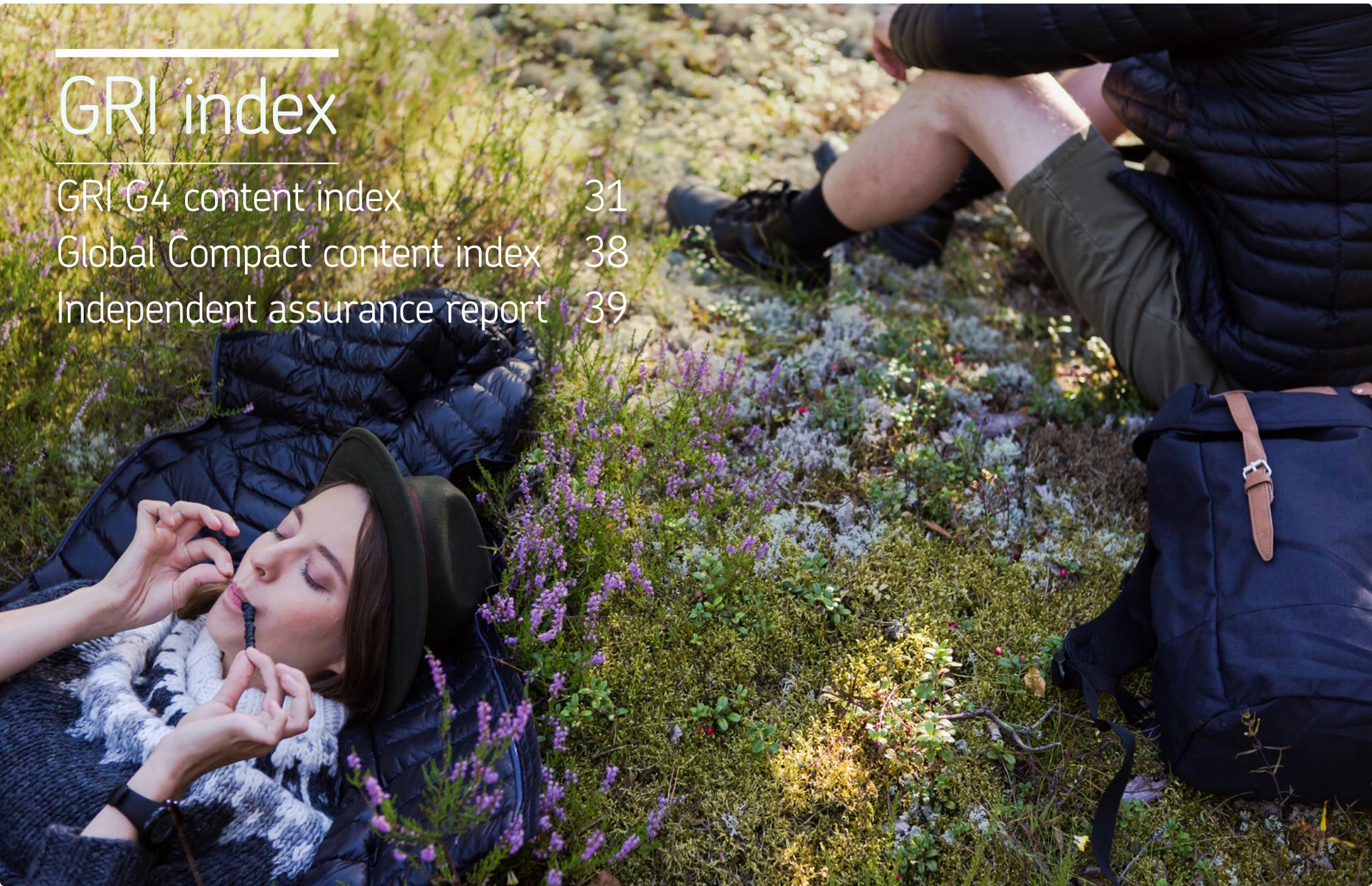
OP Financial Group encourages its investees and partners to operate responsibly and in line with international standards. Primarily, the most attractive investment targets in any fund are issuers whose operations are irreproachable in relation to international ethical standards. Positive screening is particularly visible in the OP Climate and OP Clean Water funds, as well as in the OP-Low-carbon World Fund which started operations in 2015. The OP Climate 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 the development of water-saving technology, pollution prevention and the construction of reliable water infrastructures. OP Low-carbon World Fund invests in companies which stand out from the competition on the basis of a smaller carbon footprint. At the end of 2015, the total value of these funds was EUR 186.7 million or 2.6 per cent of OP Fund Management's equity fund capital.

Negative screening

OP actively monitors the fulfilment of international standards by investment targets in line with OP Asset Management's Principles for Responsible Investment, both when making the investment decision and during the time of ownership. Investment vehicles are screened for violations of international standards. Furthermore, OP ensures that its portfolios do not include manufacturers, sellers or marketers of weapons (anti-personnel mines and cluster weapons) banned by certain treaties. This screening is performed biannually by an external analysis company. The screening applies to all active OP equity funds and corporate bond funds that make direct investments as well as discretionary client portfolios that make the above-mentioned investments.

GRI index

GRI G4 content index	31
Global Compact content index	38
Independent assurance report	39



GRI-content

	GRI content	Location	Further information
STRATEGY AND ANALYSIS			
G4-1	CEO's statement	OP Year 2015: Review by the President, Group Executive Chairman	
G4-2	Key impacts, risks and opportunities	OP Year 2015: Operating environment and strategy	
ORGANISATIONAL PROFILE			
G4-3	Name of the organisation	Financial Statements, Appendix 1: General information	
G4-4	Primary brands, products and services	OP Year 2015: OP business segments	
G4-5	Location of the organisation's headquarters	Helsinki	
G4-6	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	Financial Statements, Appendix 57	
G4-7	Nature of ownership and legal form	Financial Statements, Appendix 57	
G4-8	Market areas	OP Year 2015: OP business segments	
G4-9	Scale of the organisation	OP Year 2015: Key figures	
G4-10	Total number of employees by employment contract, employment type, region and gender	GRI information, p. 22	
G4-11	Percentage of total employees covered by collective bargaining agreements	GRI information, p. 23	
G4-12	Organization's supply chain	OP Year 2015: Operating environment and strategy, GRI information, p. 19	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Financial Statements, Report by the Board of Directors: Changes in OP Financial Group's structure	
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	Financial Statements, Appendix 2: Principles of OP Financial Group's Risk and Capital Adequacy Management	

GRI content		Location	Further information
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	GRI information, p. 5–6	
G4-16	Memberships of associations and national or international advocacy organisations	GRI information, p. 5–6	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organisation's consolidated Financial Statements	Financial Statements, Appendix 57	
G4-18	Process for defining the report content	GRI information, p. 7–15	
G4-19	Material aspects	GRI information, p. 8–15	
G4-20	List of entities or groups of entities within the organisation for which the aspects are material	GRI information, p. 7–15	
G4-21	List of entities or groups of entities outside of the organisation for which the aspects are material	GRI information, p. 7–15	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	No restatements	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	No restatements	
STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organisation	OP Year 2015: Stakeholder engagement	
G4-25	Basis for identification and selection of stakeholders with whom to engagement	OP Year 2015: Stakeholder engagement	
G4-26	The Organisation's approach to stakeholder engagement	OP Year 2015: Stakeholder engagement	
G4-27	Key topics and concerns that have been raised through stakeholder engagement	OP Year 2015: Stakeholder engagement	

	GRI content	Location	Further information
REPORT PROFILE			
G4-28	Reporting period	1 Jan–31 Dec 2015	
G4-29	Date of most recent previous report	26 Feb 2014	
G4-30	Reporting cycle	Annual	
G4-31	Contact point for questions regarding the report or its contents	GRI information, p. 41	
G4-32	GRI content index	GRI information, p. 31–37	
G4-33	Policy and current practice with regard to seeking external assurance	Assurance statement p. 39	
GOVERNANCE			
G4-34	Governance structure, including committees	Corporate Governance: Supervisory Board and its committees	
BUSINESS ETHICS			
G4-56	Ethics and integrity	Corporate Governance: Management System OP Year 2015: Strategy	
DISCLOSURES ON MANAGEMENT APPROACH			
	General disclosure on management approach (DMA)	GRI information, p. 5–6	
	Aspect-specific disclosures on management approach	GRI information, p. 8–15	
Operational KPIs			
ECONOMIC RESPONSIBILITY			
Aspect: Economic performance			
G4-EC1	Direct economic value generated and distributed	GRI information, p. 17	
G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	GRI information, p. 18	

GRI content		Location	Further information
G4-EC3	Coverage of the organisation's defined benefit plan obligations	Financial Statements, Appendix 41	
G4-EC4	Significant financial assistance received from government	OP Financial Group received no significant financial assistance from the government in 2015.	
Aspect: Indirect economic impacts			
G4-EC7	Development and impact of infrastructure investments and service provided primarily for public benefit through commercial, in-kind or pro-bono engagement	GRI information, p. 19	Local projects, investments in an active Finnish payment traffic system.
G4-EC8	Understanding and describing significant indirect economic impacts, including the extent of impacts	GRI information, p. 19	
ENVIRONMENTAL RESPONSIBILITY			
Aspect: Energy			
G4-EN3	Direct energy consumption by primary energy source	GRI information, p. 20	
G4-EN5	Energy intensity	GRI information, p. 20	
G4-EN6	Reduction of energy consumption	GRI information, p. 20	Absolute data on reduced consumption is unavailable.
Aspect: Emissions			
G4-EN15	Direct greenhouse gas emissions (scope 1)	GRI information, p. 21	
G4-EN16	Indirect greenhouse gas emissions (scope 2)	GRI information, p. 21	
G4-EN17	Other indirect greenhouse gas emissions (scope 3)	GRI information, p. 21	
G4-EN18	Greenhouse gas emissions intensity	GRI information, p. 21	
G4-EN19	Reduction of greenhouse gas emissions	GRI information, p. 21	
Aspect: Waste and wastewater			
G4-EN23	Total weight of waste by type and disposal method	GRI information, p. 21	Data available only on the Helsinki premises.

GRI content		Location	Further information
SOCIAL RESPONSIBILITY			
Labour practices and decent work			
<i>Aspect: Employment</i>			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	GRI information, p. 23	
G4-LA3	Return to work and retention rates after parental leave, by gender	GRI information, p. 23	
<i>Aspect: Labour/management relations</i>			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	GRI information, p. 23	
<i>Aspect: Labour/management Relations</i>			
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 programmes	GRI information, p. 23	
G4-LA6	Accident types and frequencies, frequencies of occupational diseases, lost days, absenteeism, and total number of work-related fatalities, by region and by gender	GRI information, p. 23	OP monitors accidental injuries, occupational diseases and work-related fatalities but they are not relevant for reporting.
G4-LA7	Workers with a high incidence or high risk of diseases related to their occupation	OP Financial Group's business does not include positions with a recognised high incidence or risk of specific diseases.	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	GRI information, p. 23	
<i>Aspect: Education</i>			
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	GRI information, p. 24	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	GRI information, p. 25	

GRI content	Location	Further information	
Aspect: Diversity and equal opportunity			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	GRI information, p. 25	
Human rights			
Aspect: Non-discrimination			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	GRI information, p. 26	
Aspect: Human rights grievance mechanisms			
G4-HR12	Number of grievances about human rights filed, addressed and resolved through formal grievance mechanisms	No cases in 2015.	
Society			
Aspect: Local communities			
FS13	Access points in low-populated or economically disadvantaged areas by type	GRI information, p. 26	
FS14	Initiatives to improve access to financial services for disadvantaged people	GRI information, p. 26	
Aspect: Anti-corruption			
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	GRI information, p. 26	
G4-S04	Communication and training on anti-corruption policies and procedures	GRI information, p. 27	Training on prevention of misbehaviour. Training on Code of Business Ethics.
G4-S05	Confirmed incidents of corruption and actions taken	No cases in 2015.	
Aspect: Public policy			
G4-S06	Total value of political contributions by country and recipient/beneficiary	OP Financial Group does not endorse any political parties or support the election campaigns of any political candidate.	
Aspect: Anti-competitive behaviour			
G4-S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	GRI information, p. 27	

	GRI content	Location	Further information
	Aspect: Compliance		
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No cases in 2015.	
G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	No cases in 2015.	
	Product responsibility		
	Aspect: Product and service labelling		
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant products and service categories subject to such information requirements	GRI information, p. 28	
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 2015.	
G4-PR5	Results of surveys measuring customer satisfaction	OP Year 2015: Owner-customers and loyalty benefits	
	Aspect: Marketing communications		
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 2015.	
	Aspect: Customer privacy		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	GRI information, p. 28	
	Aspect: Compliance		
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 2015.	
	Aspect: Active ownership		
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	GRI information, p. 29	
FS11	Percentage of assets subject to positive and negative environmental or social screening	GRI information, p. 29	

Global Compact content index



	Location
HUMAN RIGHTS	
Principle 1: Businesses should support and respect the protection of internationally proclaimed humanrights	Disclosure on Management Approach s. 5
Principle 2: Businesses should make sure they are not complicit in human rights abuses	Disclosure on Management Approach s. 5. Human rights p. 11, 26
LABOUR	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	G4-LA8, s. 23
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour	Disclosure on Management Approach s. 5
Principle 5: Businesses should uphold the effective abolition of child labour	Disclosure on Management Approach s. 5
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	Disclosure on Management Approach s. 5, Human rights p. 11, 26
ENVIRONMENT	
Principle 7: Businesses should support a precautionary approach to environmental challenges	Disclosure on Management Approach s. 5, Environmental impacts s. 9, 20–21
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Disclosure on Management Approach s. 5–6
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Disclosure on Management Approach s. 5, Environmental impacts s. 9, 20–21
ANTI-CORRUPTION	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Code of Business Ethics p. 6

Independent assurance report

This document is an English translation of the Finnish report

To the Management of OP Cooperative

We have been engaged by the Management of OP Cooperative to provide limited assurance on the OP Financial Group's corporate responsibility information from the reporting period 1.1.–31.12.2015, which has been presented in the "OP Financial Group's GRI Corporate Social Responsibility data 2015" report as well as in section "Themes of Responsibility" of the "With love for Finland - OP Year 2015" report published in the web (hereafter Corporate Social Responsibility Information).

The Management of OP Cooperative is responsible for the preparation and presentation of the Corporate Social Responsibility Information in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4*.

Our responsibility is to carry out an engagement to express an independent conclusion on the information subject to the assurance based on the work performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information. We are independent from the corporation according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted. We apply the International Standard on Quality Control 1 (ISQC 1) and accordingly maintain a comprehensive system of quality control including document-

ed policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We do not accept or assume responsibility to anyone other than OP Cooperative for our work, for this assurance report, or for the conclusions we have reached.

The evaluation criteria used for our assurance are the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4*.

Limitations of the engagement

Data and information related to corporate responsibility are subject to inherent limitations applying to data accuracy and completeness, which are to be taken into account when reading our assurance report. The presented Corporate Social Responsibility Information is to be considered in connection with the explanatory information on data collection, consolidation and assessments provided by OP Financial Group. Our assurance report is not intended for use on its own in evaluating OP Financial Group's performance in executing the corporate responsibility principles OP Financial Group has defined. To assess the financial state and performance of OP Financial Group, OP's audited Financial Statement for the year ended 31 December 2015 is to be consulted.

The work performed in the engagement

Our assurance procedures are designed to obtain limited assurance on whether the Corporate Social Responsibility In-

formation is presented in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4* in all material respects. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Corporate Social Responsibility Information, and applying analytical and other evidence gathering procedures, as appropriate. The evidence gathering procedures mentioned above are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

In our engagement we have performed the following procedures:

- Interviews with three members of the Management of OP Cooperative to reassert our understanding of the connection between OP Financial Group's corporate responsibility procedures and OP Financial Group's business strategy and operations as well as corporate responsibility objectives;
- An assessment of the Corporate Social Responsibility Information's conformity with the principles of the G4 guidelines for defining content and reporting quality;
- An assessment of coverage of the material aspects selected for the Corporate Social Responsibility Information and the definition of reporting boundaries in the context of OP Financial Group's business operations and sector;
- An assessment of data management processes, information systems and working methods used to gather and consolidate the presented Corporate Social Responsibility Information, and a review of OP Financial Group's related internal documents;

- Comparison of the presented Corporate Social Responsibility Information to underlying rules of procedure, management and reporting systems as well as documentation;
- An assessment of the Corporate Social Responsibility Information's conformity with the principles of the GRI-guidelines;
- A review of the performance data and assertions presented in the Corporate Social Responsibility Information, and an assessment of information quality and reporting boundary definitions;
- Testing of data accuracy and completeness through samples from OP Financial Group's information systems and original numerical information received from the Group's member institutions;

Based on the assurance procedures performed, nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement is not, in all material respects, properly prepared.

Helsinki, 19 February 2016
KPMG OY AB

(signed)
Raija-Leena Hankonen
APA

(signed)
Nathalie Clément
Senior Manager, Advisory

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