

OP-Pohjola Group
Corporate Social Responsibility Report
2012



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Omasairaala:

Omasairaala, established by Pohjola Insurance in 2012, is Finland's first hospital owned entirely by an insurance company. With a focus on orthopaedics, Omasairaala is intended to shorten the treatment chain significantly and ensure patients are brought back to health as quickly as possible. Omasairaala employs thirty top experts in their field (as of 1 January 2013).

LEED:

The renovation of OP-Pohjola's premises in Vallila began in 2012. Responsibility will be taken into account in many ways during the three-year construction project. Environmental and energy-saving perspectives have been particularly emphasised in the planning and design. The objective is to obtain LEED Campus certification for the new premises.

Executive Chairman's Review

At OP-Pohjola Group, corporate social responsibility is based on our strong cooperative values, in which the roles of customer and owner are united. Our mission is to promote sustainable prosperity, security and well-being. For us, CSR encompasses economic, social and environmental responsibility.

Our new strategy emphasises responsibility as an integral part of business operations. We bear responsibility for our stakeholders, our long-term profitability and the development of our sector. We are a responsible employer that supports its personnel's development and well-being. Our long-term strategic objective remains unchanged: to be a pioneer in corporate social responsibility in our sector in Finland.

In June 2012, the Supervisory Board approved OP-Pohjola's Code of Business Ethics. This is our way of integrating the United Nations Global Compact into our operating models throughout the Group. We continue to report according to the Global Reporting Initiative (GRI).

We have upheld social discussions concerning the challenges of our sector. We want to play our part in ensuring the proper operation of the Finnish financial and payment transfer system and insurance market, as without them there can be no economic growth, and without economic growth there can be no new jobs. Open and transparent communications are also a part of responsibility.

Our operational activities are guided by the OP-Pohjola CSR Programme. During 2013, short-term (up to 2013) and long-term (up to 2015) goals were set for the programme.

Our financial results for 2012 were good and progressed according to plan. Our financial buffers are strong and our lending ability is sound. OP-Pohjola Group is Finland's largest financier of real estate and corporate acquisitions. Our loan portfolio produced strong growth figures in 2012.

The fact that OP-Pohjola Group's lending has grown at a significantly higher rate than the industry average demonstrates the Group's significant role as a promoter of economic prosperity and employment in Finland. Our ability to take responsibility for our customers' financial needs is reflected in our strengthening market position. Our excellent growth performance is based on our good solvency and the approach towards our customers' needs and expectations which is implied by our mission.

OP-Pohjola Group Central Cooperative Consolidated implemented a reorganisation programme as of autumn 2012. In relation to this programme, it is conducting personnel negotiations that led to the reduction of 561 jobs from the Group. The reorganisation is necessary in order to adjust to the financial sector's tightening solvency and profitability requirements, so that we can continue to shoulder our responsibility for creating the necessary conditions for economic growth. Our cooperative ideals demand this.

We want to continue to foster our competence in social, economic and environmental responsibility. Our changing surroundings will require an increased emphasis on indirect responsibility within financing, insurance and investment decisions, as well as in all our operational management.

Reijo Karhinen
Executive Chairman 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 200 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 well-being 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.

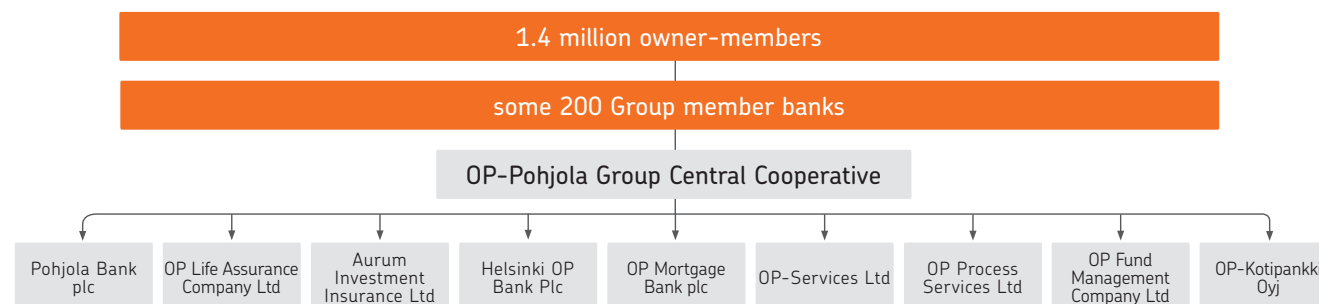
The operation of Group member banks is based on profitability. The member banks offer high-quality and competitive banking and insurance services to their customers. Rather than focusing on short-term profits, Group member banks aim at continuous success together with its customers. Operating profit 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 the Act on the Amalgamation of Deposit Banks (Laki talletuspankkien yhteenliittymästä), 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.

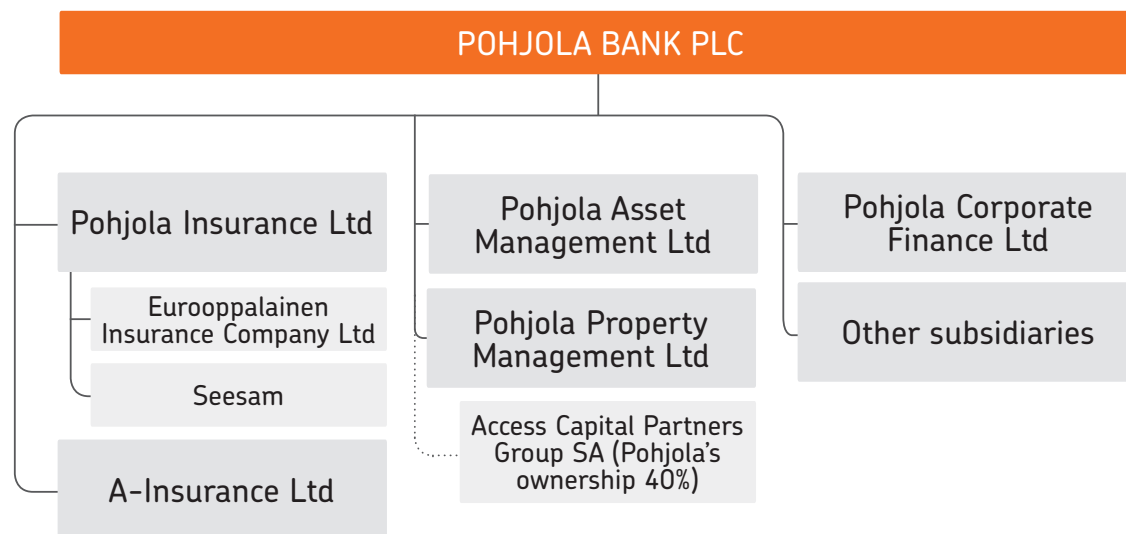
Acting as OP-Pohjola Group's central bank, Pohjola manages the Group's liquidity and international operations. Pohjola's A-shares are listed on NASDAQ OMX Helsinki and the number of shareholders is approximately 32,000.

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 subsidiary wholly owned by OP-Pohjola Group Central Cooperative – develops and implements state-of-the-art solutions for the financial sector. It also ensures the performance and quality of such solutions.

OP-Services Ltd is in charge of the development, production and maintenance of the Group's products and services. It provides Group companies with business development and ICT services, and services for business process management. For example, the company ensures that online services perform well. It also sees to the smooth operation of banking and investment services, and the production of various materials.





Corporate Social Responsibility at OP-Pohjola Group

Strategy process:

- OP-Pohjola released a new strategy in the summer of 2012.
- Personnel were involved in developing the strategy from an early stage, making the process even more open and interactive than before. Owner-members also contributed their views through the cooperative banks' representatives. The strategy is story written together by all the stakeholders.

Corporate Social Responsibility at OP-Pohjola Group

OP-Pohjola Group has been involved in building the Finnish society for over a century. Cooperative activities came about thanks to innovative thinking, and they still maintain the ideal of understanding and solving customers' needs, active administration, continuous dialogue, a visionary outlook and the creativity needed for finding new solutions. OP-Pohjola Group is characterised by being close to its customers, operating locally, having a human face and being easy to approach.

Corporate social responsibility (CSR) is an essential part of the Group's operations, and an element of its 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.

Our unique way of operating close to the customer reflects our determination in acting in a financially and socially responsible manner. Our strong values demand bearing responsibility for our stakeholders, our long-term profitability and the development of our sector.

Megatrends in the Financial Sector: Key Impacts, Risks and Opportunities

In the next few years, the financial sector will mostly be impacted by diverse megatrends which are change drivers 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. They are often global trends that have a deep impact on social structures.

Megatrends were taken into account in formulating OP-Pohjola's strategy and its areas of emphasis.

Megatrends in the Financial Sector



From the perspective of corporate social responsibility, key global trends are population growth, climate change and the rise of responsibility awareness among consumers. These have implications for all business operations. Weakening of growth prospects in the global economy, uncertainty related to management of the European debt crisis, and changes in industry regulations are setting demands on the responsibility exercised by banks and insurance companies. Promoting financial stability and ensuring the reliability of the financial market infrastructure are of the utmost importance.

Banks and insurance companies also play a special role in society and bear responsibility for building the nation's wellbeing. The foundation of banking operations is formed by the property entrusted to banks by customers, especially their deposits.

Furthermore, banks and insurance companies have indirect responsibility for their customers' finances. They should provide guidance and advice in cases of over-indebtedness, preparing for damage and asset management.

The industry is well regulated, and responsibility is an integral part of the corporate governance, risk management and compliance of banks and insurance companies. In the future, responsibility will receive even more emphasis in banking, investment and insurance services. Development of responsibility will also open up opportunities for new competitive financial products.

Corporate social responsibility has always been a part of OP-Pohjola's mission, which is to promote the sustainable prosperity, safety and well-being of its owner-members, customers and operating regions. Responsibility is also one of the Group's values, according to which OP-Pohjola operates locally, regionally and nationally as an ethically responsible company.

Responsible Mission

Have you ever thought about how fine a mission OP-Pohjola Group has? There aren't that many businesses who can claim that they promote the sustainable prosperity, wellbeing and security of their customers. But we can. We have a solid basis for our operations in our values, growth and capital adequacy. These will help to convert our vision and dream into reality and a better tomorrow.

It won't be easy, of course, but we are determined to be successful. The more challenging the operating environment, the more it encourages us to create something new. We intend to continue to be the most progressive financial services group, offering the best overall solutions and loyalty benefits, and reacting quickly and adjusting our course.

What we stand for has special meaning in today's world. We are a progressive financial services group with people-first approach and responsibility as our key values. We have a unique identity. We draw strength from our cooperative principle, which at the same time requires us to show community spirit.

To us, a customer means more than to other companies in the sector, because our customers are also our owners. It is our privilege to offer our customers our best expertise. This requires that our expertise remains fresh, and that is why we offer our employees a variety of career paths. We also think it's important that people enjoy working for us.

We offer our customers a superior customer experience – this is what we aim for every day. We are the most personal and caring business partner. We want to send out the message that the daily lives of our customers are always at the core of our operations. We offer expert services individually and flexibly.

When both we and our customers are proud of what OP-Pohjola Group represents – then we can say that we have been successful.

OP-Pohjola's Strategy for 2012

OP-Pohjola Group's mission is to promote the sustainable prosperity, safety and well-being of its owner-members, customers and operating regions. This mission has solid foundations in the Group's strong values, growth and solvency. These elements make it possible for us to fulfil our vision and dreams, and to trust in a good tomorrow.

Our new strategy states that the more challenging the operating environment becomes for our sector, the more it encourages us to create new things. We plan to continue being the most progressive financial group in Finland. We want to offer the best overall solutions and loyalty benefits, and operate in an agile manner. We have a unique identity. Our cooperative basis is one of our strengths and demands that we operate in a community-oriented way.

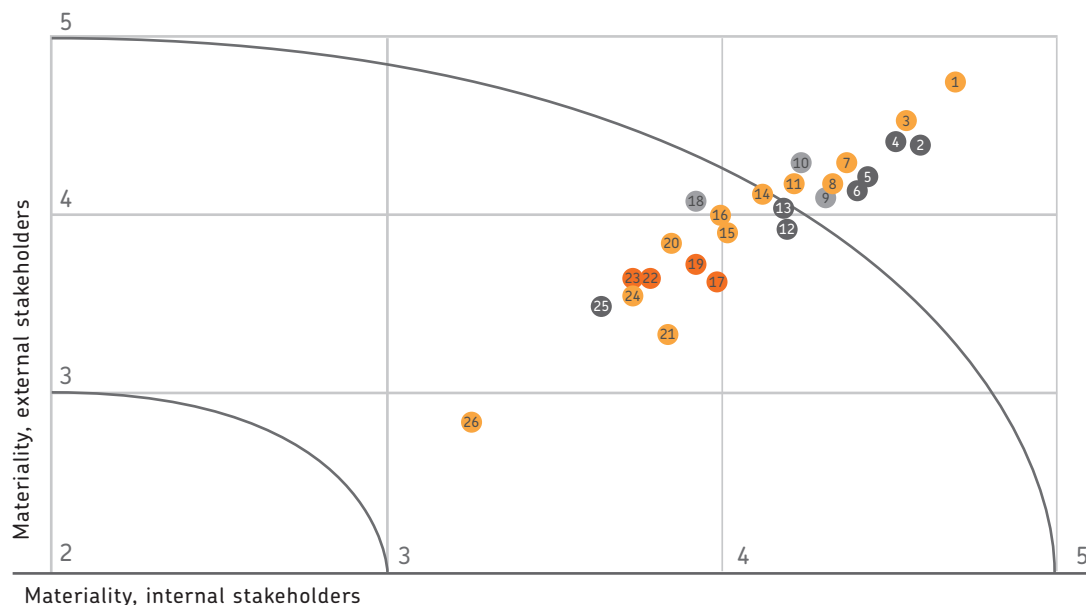
Materiality Assessment

OP-Pohjola conducted a CSR materiality assessment in 2011, to identify the responsibility expectations of stakeholders and to analyse their impact on business operations. In this assessment, stakeholders evaluated the materiality of general CSR aspects for OP-Pohjola's operations. This online survey was answered by representatives of private and corporate customers, administration, personnel and other external stakeholders. There were 408 responses. In the survey, CSR was subdivided into four aspects: the role OP-Pohjola plays in the Finnish society; responsible products and services; responsibility for stakeholders; and environmental responsibility.

On the basis of the stakeholders' responses, the most important aspects to take into account in OP-Pohjola's CSR are customer data confidentiality and privacy protection, employee skills development, the Group's capital adequacy, and transparency and clarity of communications. Other CSR aspects deemed material to the Group's operations were responsible marketing, a fair remuneration

OP-Pohjola's Materiality Matrix

- OP-Pohjola Group's role in Finnish society
- Responsible products and services
- Stakeholder responsibility
- Environmental responsibility



- | | | |
|--|--|---|
| 1. Customer data confidentiality and privacy protection | 11. Active prevention of corporate/white-collar crime and misconduct | 20. Promotion of financial literacy in Finland |
| 2. Employee skill development | 12. Promotion of equality | 21. Sponsoring local projects |
| 3. OP-Pohjola Group's capital adequacy | 13. Consideration of corporate social responsibility in selecting partners and suppliers | 22. Involvement in the promotion of environmental issues |
| 4. Transparency and clarity of communications | 14. Extensive online banking and insurance services | 23. Environmental protection and securing biodiversity |
| 5. Responsible marketing | 15. Consideration of corporate social responsibility risks in risk management | 24. Extensive branch network |
| 6. Fair remuneration policy | 16. Accident/loss prevention by Non-life Insurance | 25. Stakeholders' opportunity to contribute to corporate social responsibility activities |
| 7. Moderate risk-taking and skilful risk management | 17. OP-Pohjola's carbon footprint/climate impact | 26. Charitable donations on a nationwide basis |
| 8. Reliable financial infrastructure | 18. Assessing environmental risks and impacts in financing and insurance decisions | |
| 9. Continuous improvement of electronic banking and insurance services | 19. Eco-friendly products and services | |

policy, moderate risk-taking and skilful risk management, a reliable financial infrastructure, continuous improvement of electronic banking and insurance services, and assessing the responsibility of investment vehicles.

Stakeholder representatives were also asked to provide their views on OP-Pohjola's corporate social responsibility. More than 500 free-form responses were received, demonstrating the stakeholders' keen interest in the subject. The responses emphasised elements including local responsibility, the natural integration of responsibility into cooperative activities and the opportunity for being pioneers in the industry. The respondents also called for more concrete actions and proof of outcomes.

The results of the assessment support the Group's approach, in which CSR is developed as an integral part of business operations. The results were used in the formulation of the new strategy and the OP-Pohjola CSR Programme.

Management of Corporate Social Responsibility

At OP-Pohjola, corporate social responsibility is based on cooperative values, robust capital adequacy and skilful risk management. Strategic CSR management is the responsibility of OP-Pohjola Group Central Cooperative's Executive Board. In 2012 the Board revised the Group's strategy and strategic CSR policies. 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.

During 2012, the CSR Steering Group comprised managing directors from the cooperative banks, as well as representatives of Pohjola Bank plc, OP-Services and OP-Pohjola Group Central Cooperative Consolidated. 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.

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.

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 of Good Business Practices

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 Group's Corporate Governance

In their decision-making and corporate governance, OP-Pohjola Group and its central institution, OP-Pohjola Group Central Cooperative, comply with Finnish legislation. OP-Pohjola Group's operations are specifically governed by the Act on the Amalgamation of Deposit Banks (Laki talletuspankkien yhteenliittymästä), the Act on Cooperative Banks and Other Cooperative Institutions, the Act on Credit Institutions, the Insurance Companies Act and the Cooperatives Act. OP-Pohjola Group Central Cooperative's subsidiary Pohjola Bank plc (Pohjola) complies with provisions and instructions governing public limited companies, in addition to its Articles of Association, and has issued its own Corporate Governance.

Taking into account the specific characteristics of the cooperative system, The Group's Corporate Governance conforms, whenever applicable, with the Finnish Corporate Governance Code approved by the Securities Market Association in June 2010. In preparing this Corporate Governance, OP-Pohjola Group has also taken account of the Financial Supervisory Authority's standard on internal governance and organisation of activities.

This Corporate Governance describes the structure and tasks of OP-Pohjola Group and its key functions and units, the duties and responsibilities of key administrative bodies, the corporate governance applied by subsidiaries, Group control and steering principles, as well as internal control and financial reporting. The Corporate

Governance enables OP-Pohjola Group to ensure that its operations are open and transparent.

Read more about corporate governance at OP-Pohjola Group and Pohjola (www.op.fi and www.pohjola.fi).

OP-Pohjola Corporate Social Responsibility Programme



KPIs of Corporate Social Responsibility Programme	2010	2011	2012	Goals	
				2013	2015
Local presence and society					
Capital adequacy ratio under the Act on Supervision of Financial and Insurance Conglomerates	1.70	1.80	1.90	1.60	1.60
Customer service performance reliability (%)	99.89	99.78	99.96	99.89	99.89
Support for local projects (€ million)	2.1*	3.3*	3.1	▼	▼
Stakeholder responsibility					
Bonuses to owner-members (€ million) ¹	151	163	173	181	203
Pohjola Bank plc's dividends (%) ²	55	60	51**	≥ 50	≥ 50
Average retirement age ³	61.3	61.5	61.5	▲	▲
Job satisfaction (scale 1–5)	3.9	3.9***	3.9	▲	▲
Share of member banks with Representative Assembly of all member banks (%) ⁴	67	71	78****	▲	▲
Responsible products and services					
eBills received by private customers (1,000)	2,315	2,955	4,981	8,000	22,000
eBills received by corporate customers (1,000)	3,476	5,519	7,388	11,000	25,000
Omasairaala: quicker treatment period (days) ⁵					▼
Ethical business					
Recommended by private customers ⁶			58	▲	▲
Recommended by corporate customers (Net Promoter Score)		31	32	▲	▲
Environment					
Our carbon footprint (tonnes CO ₂) ⁷	28,318	34,847	32,743	▼	▼
Green Office Label, no. of employees ⁸	2,422	2,550	2,815	4,500	7,000

¹ Accrued bonuses

² Dividend policy: dividend payout ratio at least 50%, provided that Core Tier 1 ratio remains at least 10%

³ Excludes Seesam non-life insurers

⁴ The first simultaneous election of Representative Assemblies will be held in over 50 Group cooperative banks in the autumn of 2013

⁵ Omasairaala has operated since early 2013

⁶ No comparable historical data available. The figure is not comparable with the Net Promoter Score (NPS).

⁷ Scope 1 and 2

⁸ The estimate does not include the LEED project 2015

* Furthermore, in 2010 OP-Pohjola Group decided to donate 3.6 million euros to Finnish universities, with the payments being made in 2010–2011

** Board proposal

*** Since the personnel survey's structure changed in 2011, the previous scores are not comparable

**** OP-Pohjola's Supervisory Board has set the target of 90% for 2017

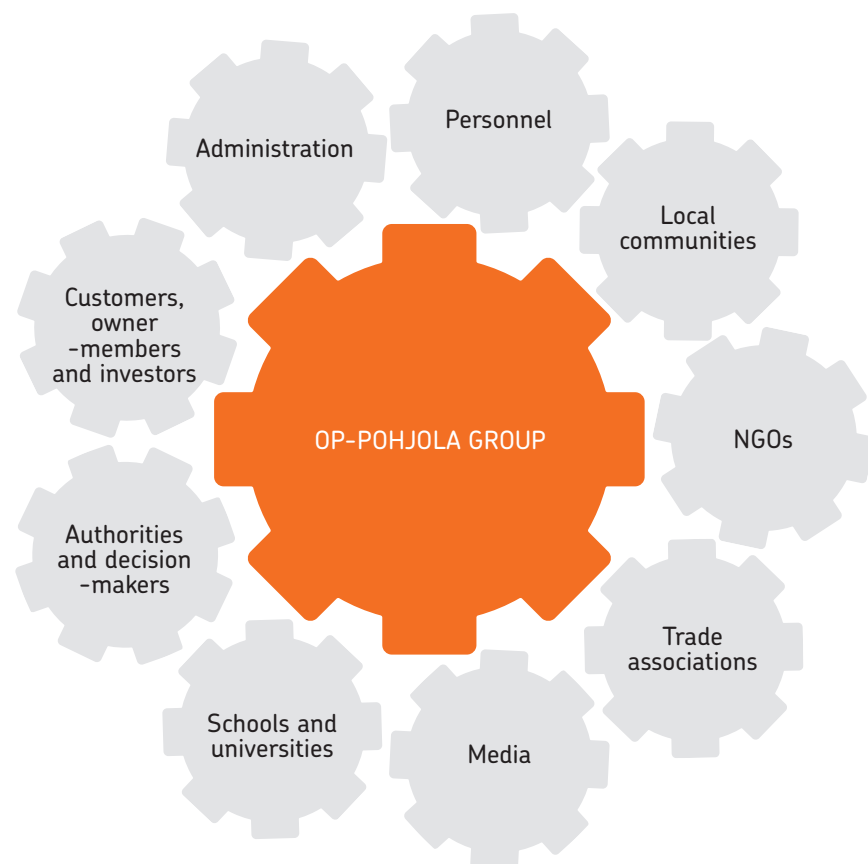
Key performance indicators (KPIs) were formulated in 2011 for the CSR Programme and for the Group's cooperative activities. During 2012, targets were set for the KPIs in the CSR Programme for 2013, and long-term objectives reaching to 2015 were determined. These targets and objectives support the fulfilment of the new strategy.

Stakeholder Engagement

Stakeholder engagement is deeply embedded in OP-Pohjola's cooperative business model and philosophy. Thanks to its cooperative model, OP-Pohjola has channels for direct interaction with the most important stakeholders.

Responsibility cannot be defined or determined by organisations alone; it is closely related to the needs of stakeholders.

OP-Pohjola Group's Stakeholder Engagement

**Personnel**

- Development of management work
- Development of occupational well-being
- Reorganisation of functions and personnel negotiations
- Projects related to new premises and reform of work methods
- In the materiality assessment, personnel indicated they valued a fair salary and compensation policy. Remuneration systems were revised during 2012.

Local communities

- Each cooperative bank is a significant taxpayer in its area
- The cooperative bank is often the area's largest corporate lender
- Diverse local and regional operations and support for local projects

NGOs

- Producing information for organisations. For example the central organisations of salaried employees belonging to the OP-Pohjola council of salaried employees. Meetings are biannual and their agenda includes the OP-Pohjola Group interim reports.
- Green Office collaboration with WWF
- Commitment to UN Global Compact
- Stakeholder meetings: for example, opportunities for charity donations linked to fund investments were considered with the Finnish Association for Nature Conservation in 2012

Trade associations

- Collaboration with Federation of Finnish Financial Services, Confederation of Finnish Industries, EACB, Unico banks and IIF
- United Nations International Year of Cooperatives 2012: active participation in the Finnish working group

Media

- Open communication and regular interaction with the media
- According to the PR Barometer for 2012, OP-Pohjola Group is Finland's top enterprise in media relations ("top of mind"). The Group was particularly praised for the commitment of management and experts to communicating with the media.

Schools and universities

- Local financial literacy teaching schemes by the cooperative banks
- Projects to promote well-being of children and adolescents in schools together with the Young Finland Association
- The OP-Pohjola Group Research Foundation was one of the donors allowing for the establishment of a professorship in cooperative studies at the University of Lappeenranta

Authorities and decision-makers

- Intense dialogue with the authorities
- Centralised competence in lobbying activities
- Procedures and objectives for supervision of Group interests

Customers, owner-members and investors

- Good customer knowledge and local decision-making
- Development of bonus system and best loyalty benefits in the industry
- Finland's broadest multichannel service network
- Influencing opportunities through the service network, feedback system and member banks' managements
- Timely, consistent, accurate and fair communication and contact with equity and loan investors, analysts and credit rating agencies

Administration

- 2012: approximately 78 per cent of owner-members belong to banks with a Representative Assembly
- Our surveys have shown that the administration expects timely and swift communications on financial matters. In 2012 the Executive Chairman's e-newsletter came out monthly, and topical issues were communicated more frequently whenever necessary.
- Training for administrative personnel
- Preparation for first simultaneous Representative Assembly elections in autumn 2013

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. During 2012, the Global Compact principles were 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, the Group has developed responsible investment practices with even greater determination, and participated in wider development efforts in the sector.

OP-Pohjola also takes part in the Carbon Disclosure project, which is in place to gather company-specific data on climate change prevention, greenhouse gas emissions and adaptation to climate change from listed companies around the world. As before, the Group completed the annual Carbon Disclosure survey in 2012. OP-Pohjola continues its systematic development in issues related to climate change.

OP-Pohjola's Responsible Financing team considered the option of joining the Equator Principles agreement and its commitments. The team concluded that OP-Pohjola would not sign the agreement for the time being, because it only applies to a fraction of the projects funded by Pohjola. The Group will continue to follow the development of the agreement, however.

Economic and social responsibility have long traditions in the history of OP-Pohjola, and CSR is deeply embedded in its operations and day-to-day activities. OP-Pohjola Group's CSR reporting has been implemented by integrating it into standard annual reporting. 2011 was the first time that the CSR Report was prepared in compliance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Consideration was also taken of the GRI Financial Services Sector Supplement. In 2011 OP-Pohjola Group's CSR reporting corresponded to Level B of the GRI.





Corporate Social Responsibility Themes

Employment opportunities for young people:

The cooperative bank Raahen Seudun Osuuspankki wanted to contribute to providing employment opportunities for young people in summer 2012. The bank made donations to local organisations which were then able to hire a total of 20 young summer workers. It gave the organisations some much needed workforce, and the young people useful work experience. Some other cooperative banks have now followed suit.

Corporate Social Responsibility Themes

The 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 matters affecting employee and customer satisfaction. It also covers transparent and understandable communications and marketing.

Responsible Products and Services comprises responsible investment principles, development of a responsible lending process and the responsibility of OP-Pohjola's banking and insurance services. It considers social, economic and environmental responsibility in the production of services.

Ethical Business concerns the Code of Business Ethics, diverse other guidelines for good business practice, and their implementation within the Group.

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

Local Presence and Society

OP-Pohjola Group's member banks are actively involved in developing the vitality of their regions. The objective is to build long-term trust in their relations with diverse stakeholders locally and regionally. The Group boasts Finland's largest network of banking and insurance services. This means that customers have equal access to

Local presence and society	2010	2011	2012	Goals	
				2013	2015
Capital adequacy ratio under the Act on Supervision of Financial and Insurance Conglomerates	1.70	1.80	1.90	1.60	1.60
Customer service performance reliability (%)	99.89	99.78	99.96	99.89	99.89
Support for local projects (€ million)	2.1*	3.3*	3.1	▼	▼

* Furthermore, in 2010 OP-Pohjola Group decided to donate 3.6 million euros to Finnish universities, with the payments being made in 2010–2011

services, wherever they live. With its around 500 locations around the country, OP-Pohjola is well placed to engage with local communities. The Group also offers a wide range of electronic banking and insurance services.

Responsibility for Finnish Infrastructure

OP-Pohjola's values, cooperative philosophy, capital adequacy and competent risk management form a basis for the Group's corporate social responsibility. In line with its strategy, the Group bears a portion of responsibility for the functionality of the Finnish financing and payment transaction system, and the Finnish insurance market. OP-Pohjola sees the financial sector playing a key role in the growth and prosperity of the national economy, as well as in providing fundamental services for citizens, companies and organisations, even in economically challenging times.

The purpose of capital adequacy management is to secure OP-Pohjola Group's risk-bearing capacity and to ensure that the Group's ability to operate is not jeopardised over the long term. The Group's capital adequacy is solid, measured both in terms of the capital adequacy ratio under the Act on Supervision of Financial and Insurance Conglomerates and in the manner specified in the Act on Financial Institutions.

In a stress test carried out by the European Banking Authority (EBA), as expected, the capital adequacy of OP-Pohjola Group's banking operations was deemed strong.

The key changes of the Basel III reform for financial institutions will impose more stringent capital adequacy requirements. They will also limit banks' indebtedness and increase the regulation of liquidity and financial risk exposure. Insurance companies will be affected by the new Solvency II reform, which will markedly alter their solvency calculations. Regulation of capital adequacy in banking and insurance operations is being continuously adjusted to match market changes: these regulations have changed every few years. OP-Pohjola Group is actively preparing for these regulatory changes.

Capital adequacy is described in further detail in the OP-Pohjola Group Financial Statements, which can be found on the Group's website at op.fi.

The Group's basic lending principles remained unchanged in 2012. The weaker economic climate did not affect the number of non-performing loans and credit losses, which remained low.

Development of Transaction Channels

Responsibility at OP-Pohjola involves the development of transaction channels in order to meet customers' new and evolving needs. More and more the Group is involving its customers in service development to ensure its services are customer-driven. Electronic services continue to gain ground as a channel for customers to carry out their banking and insurance activities. Most daily customer business is conducted electronically. OP-Pohjola is continuously developing high-quality, user-friendly e-services for its customers within both banking and insurance. In early 2012 the Group launched a new online service for micro and small enterprises, which is still being developed further.

In 2012, the use of smartphones in daily customer business grew significantly. OP-Pohjola expanded its range of mobile services during the year, and customers can now take care of their daily banking, insurance, investment and savings needs on their smartphones.

Efforts were also made in 2012 to update the service model for physical branches. In response to demand, OP-Pohjola Group serves its customers face to face through an extensive network of outlets all around Finland.

The Group pays particular attention to the operational reliability of electronic banking and insurance services. It also continually pays attention to increasing data security.

Ensuring Data Protection

The security and reliability of electronic transactions are prerequisites for the success of the web-based services provided by OP-Pohjola. The Group predictively and actively evaluates and develops data security solutions for electronic customer services. Systematic efforts are conducted in this domain.

During 2012, OP-Pohjola continued development efforts related to the security of its services and its ability to react to possible malicious 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.

In 2011, additional payment confirmation was introduced to the OP online service. This is a security solution that offers customers enhanced security against any malware that may have infected their computers. In 2012 the additional confirmation function was developed and expanded further. OP-Pohjola improved the usability of the security features of its online services, for instance by allowing approval of several transactions at once.

Generally speaking, 2012 was an active year for attacks against online services. Despite this, the Group's online security remained on a high level overall.

Local and Regional Projects with Stakeholders

Local and regional projects and events involving various stakeholders form an integral part of OP-Pohjola Group's CSR Programme. The long-term objective is to work with stakeholders to fulfil the Group's mission, which is to promote the sustainable prosperity, safety and well-being of its owner-members, customers and operating regions. This contributes to local and regional vitality and welfare.

The member banks organise local events and projects across the country. Decisions on these activities are made locally. For example, a summer job programme for young people initiated by Valkeakosken Osuuspankki was also found by other banks to be a good way of conducting local engagement. An example of a local far-reaching environmental project is the Vesijärvi project of Päijät-Hämeen

Osuuspankki, which raises funds to save Lake Vesijärvi and other, smaller lakes in the region.

Together with the Central Cooperative and the regional cooperative bank federations, OP-Pohjola donated over EUR 3.6 million in funds to Finnish universities in 2010 and 2011. This means that the Group will have fewer funds to contribute to projects in the next few years.

Financial Literacy

As a Group owned by its customers, OP-Pohjola has a focus on promoting financial literacy and knowledge of banking and insurance matters in Finland.

Between 2011 and 2012, the Group conducted a financial literacy survey of people in Finland. 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. The financial literacy level of Finns had fallen in 2012 compared to 2011. 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. A significant proportion of financial literacy campaigning consists of collaboration with educational institutions in the form of theses, student visits, internships and recruitment fairs.

OP-Pohjola's aim is to help customers understand their finances as a whole, as well as their future prospects. Managing one's own finances is about listing all income and expenses, covering day-to-

day living expenses and purchases, and practical payment arrangements. As asset management increases, customers also need more skills and competence in financial planning.

Customer magazines play a significant role in promoting financial literacy. OP-Pohjola magazine is Finland's third most read magazine (KMT, spring 2012) 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 on the economy and the working world. The magazine came second in a competition organised in 2012 by ProCom (the Finnish Association of Communications Professionals), second in the Grafia Best of the Year 2012 competition, and second in the Folio Ozzie Awards 2011 and 2012 in the United States. During the year, many of the magazine's articles were cited in the media. OP-Pohjola Group also has other customer magazines for specific target groups.

The Group uses social media (Facebook and Twitter) to increase interaction with customers and as a tool in communicating on financial issues.

Stakeholder Responsibility

OP-Pohjola exists for its owner-members and customers. The Group maintains an active dialogue with its various stakeholders. Stakeholder engagement is one of the Group's key CSR themes, alongside cooperation with customers and open communications.

Stakeholder Engagement

OP-Pohjola strives to conduct transparent and diversified dialogue with various stakeholder groups, and to emphasise its openness and its responsibility for customers by carrying out active communications in the media.

Stakeholder responsibility	2010	2011	2012	Goals	
				2013	2015
Bonuses to owner-members (€ million) ¹	151	163	173	181	203
Pohjola Bank plc's dividends (%) ²	55	60	51*	≥ 50	≥ 50
Average retirement age ³	61.3	61.5	61.5	▲	▲
Job satisfaction (scale 1–5)	3.9	3.9**	3.9	▲	▲
Share of member banks with Representative Assembly of all member banks (%) ⁴	67	71	78***	▲	▲

¹ Accrued bonuses

² Dividend policy: dividend payout ratio at least 50%, provided that Core Tier 1 ratio remains at least 10%

³ Excludes Seesam non-life insurers

⁴ The first simultaneous election of Representative Assemblies will be held in over 50 Group cooperative banks in the autumn of 2013

* Board proposal

** Since the personnel survey's structure changed in 2011, the previous scores are not comparable

*** OP-Pohjola's Supervisory Board has set the target of 90% for 2017

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.

Personnel

OP-Pohjola aims to be the financial sector's most attractive employer, and one of the most desirable employers amongst major Finnish companies. A strategic objective is to turn its overall personnel competence and continuous personnel development into a success factor. Business and service network development, employee competence enhancement, and staff numbers and structure are all based on the Group strategy.

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 occupational well-being project was initiated in late 2012 based on the Group strategy. As part of this project, 203 companies and organisations in the Group have insured their personnel under an extensive health insurance plan as of 1 January 2013. The insurance supports work ability and encourages all personnel to look after their own well-being. Employee well-being is supported by shifting the occupational health care focus towards preventive activities throughout the Group. In addition, supervisors are trained to identify risks related to working capacity. A particular area of focus is the development of good management of people of various ages and in different life situations, as well as cooperation between the generations.

OP-Pohjola Group's Stakeholder Events

Event	History	In 2012
Future of Entrepreneurship This workshop is targeted to SMEs and organised in cooperation with Kauppalehti business magazine and Balance Consulting. The Business Manager and Company of the Year awards are given in the workshop.	Organised annually since 2003. Participants: 450–600 people depending on the locality. In addition to the main workshop, smaller local events organised during the year.	The theme of the seminar held in the Helsinki Music Centre was entitled "The Call of the Russian Competitive Arena".
OP-Pohjola Group's 110th Anniversary Celebration		OP-Pohjola Group celebrated its 110th anniversary in 2012. On 22 May, the anniversary was celebrated in Helsinki and in 14 other localities across Finland. Roughly 8,000 guests (customers, administrative staff and other stakeholder groups) were present at these events.
OP-Pohjola Group Forest Day This workshop is intended for forest owners and target groups interested in the subject. Forestry experts and elected officials gather together to discuss topical issues in the sector.	Organised annually since 1985. Participants: 300–700 people depending on the locality.	The theme of the Forest Day held in Oulu was entitled "The Future of Wood as Source of Energy in Finland".
OP-Pohjola Group's Harvest Session This workshop is intended for those engaged in agribusiness, with farmers in particular being the target audience.	Organised annually since 1975. Participants: 300–700 people depending on the locality.	The 2012 Harvest Session held in Turku was themed around agricultural profitability.
OP-Pohjola Group Research Foundation theme day Held in Helsinki, this annual workshop forms part of the activities of this scholarship foundation.	Organised annually since 1990. Participants: 200–250.	The Research Foundation theme day in 2012 was entitled "The Future of the European Union – Is Inflation around the Corner?"
The main celebration in Finland to commemorate United Nations' International Year of Cooperatives in 2012 highlighted the major role played by cooperatives in terms of the economy and society as a whole.	United Nations' International Year of Cooperatives in 2012 was the first of its kind.	The main theme of the celebration in Helsinki was titled "Building the world through cooperative effort".

In the autumn of 2012, OP-Pohjola initiated a major reorganisation as a further step in the structural changes implemented in the OP-Pohjola Central Cooperative since 2010. Current challenges in the operating environment and growing regulation in the financial sector require higher capital adequacy and profitability in future years. Personnel negotiations were conducted in late 2012 with the aim of increasing the efficiency and centralisation of functions, and eliminating redundancies.

Remuneration and rewarding at OP-Pohjola Group are guided by the Group's remuneration policy. The policy is available on the Group's intranet, and all employees are aware of the principles involved. Employees and employee representatives are actively engaged in the development of remuneration practices. Remuneration systems 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 emphasises the need for fairness and transparency in remuneration. 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. All ownership-based incentive systems have been terminated. 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 position. The tightened regulations in the financial sector also emphasise the importance of linking remuneration to risk management, in addition to engaging and incentivising personnel.

Job satisfaction and employee wellbeing are actively monitored in an employee survey, which was revised in 2011 to be consistent throughout the Group. In 2012 the Group's Baltic operations were included in the uniform survey. Topics covered by the survey

include job motivation, commitment and supervisory work, in line with OP-Pohjola's principles of good management. On the basis of the survey results, operations are developed at work community, company and Group level. The employee survey was conducted in the Group in the autumn of 2012. The response rate was 83 %. The overall average employee satisfaction score for all OP-Pohjola Group personnel (on a scale of 1–5) was 3.9, which is very good. Job satisfaction is generally good and employees are well aware of the Group's objectives.

At OP-Pohjola, employees have good opportunities for skills development. Future competence needs are explored during annual planning. Competence management is supported by development plans made in performance reviews. The OP Academy supports the fulfilment of the strategy by offering a comprehensive selection of training events for people in various positions.

In personnel training, a special emphasis has been placed on sales and interaction skills. In management development, the focus has been on enhancing the supervisory skills of new supervisors, as well as more widely on leadership through coaching. As a major employer in the financial sector, OP-Pohjola can offer its employees not only training, but also opportunities to develop their skills by transferring from one position to another. Mentoring and coaching techniques are also used in competence development, and attention is paid to target-oriented on-the-job learning.

A shared equality framework plan has been prepared for the Group, as a guide for equality planning in Group companies. 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 internal and external communications,

training and succession planning, for instance in ensuring that management training choices pay attention to having enough potential women on management and executive career tracks. The Group companies formulate their own annual plans based on the framework plan, by selecting from it the two or three most critical areas of development for their own operations. An extensive equality survey is conducted at least every three years, and implementation of the company-specific annual plans is monitored annually. Employees' experiences of equality are studied annually in the employee survey.

Owner-Members and Shareholders

Every customer of a cooperative bank can become an owner-member of their own bank. At year-end 2012, there were 1,371,347 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. The bonuses paid out in 2012 totalled EUR 173 million.

OP-Pohjola's member banks own the majority of the shares in Pohjola Bank plc, a listed company included in the Group. Member banks annually receive a share of Pohjola Bank's earnings in the form of dividends, as do other shareholders. Consequently, the banks' owner-members also benefit from Pohjola Bank's profit sharing. In 2012, dividends paid by Pohjola Bank to its shareholders amounted to EUR 129 million.

Engagement of Administration

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.

Currently, over 78 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.

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.

Responsible products and services	2010	2011	2012	Goals	
				2013	2015
eBills received by private customers (1,000)	2,315	2,955	4,981	8,000	22,000
eBills received by corporate customers (1,000)	3,476	5,519	7,388	11,000	25,000
Omasairaala: quicker treatment period (days) ¹					▼

¹ Omasairaala has operated since early 2013

Members of the banks' Boards of Directors have the opportunity to participate in a training event 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 enables the fast provision of information on topical issues.

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.

OP-Pohjola offers a comprehensive range of electronic banking and insurance services. Local presence and responsibility are also emphasised in the use of electronic channels, since the extensive branch network guarantees personal support to customers as they begin to use these channels. Products must be user-friendly and take account of the individual needs of customers of all ages living in different areas. Here, the aim is to have easy-to-use, intuitive products, as well as transparency and plain reporting.

Marketing of products and services abides by the marketing rules of the International Chamber of Commerce. There were no violations against product liability in 2012.

Development of Electronic Services

Most of OP-Pohjola Group's customers have opted to receive online bank statements instead of paper statements. In 2012, one million fewer paper statements were sent out than in 2011. By year-end only one in fifteen online banking customers received a paper statement.

In 2012, an online balance statement was introduced in the corporate online service, to reduce the number of paper-based bank statements mailed to companies.

OP-Pohjola launched the e-invoice for corporate customers in 2003. E-invoices have been marketed to private customers since 2005, meaning OP-Pohjola was Finland's first bank to do so. In 2012, more than 650,000 e-invoice orders were made in OP's online services, and online customers received an average of 500,000 e-invoices per month. At the year-end, 24% of active online service users received their bills as e-invoices. The goal is to further raise the share of e-invoices.

E-invoices have become an integral part of the basic package of payment transaction services, as it speeds up companies' billing processes and saves time. In 2012, the Group's corporate customers sent and received approximately nine million e-invoices in all.

OP-Pohjola recommends using the e-invoice service as a replacement for the Finnish direct debit system, which will end at the beginning of 2014. As of late 2012, customers were offered an easy way to transfer from direct debit to using e-invoices.

During 2012, OP-Pohjola launched an extensive mobile application for Windows, Android and iOS phones. The app allows customers to monitor their accounts, savings and investments, to find the nearest branches and ATMs, to pay bills using the smartphone camera to read barcodes, to manage their insurance details and to monitor the progress of insurance claims. There are savings and investment services directed especially at experienced investors who want to monitor stock prices and news. OP-Pohjola Group is continuing its extensive efforts in developing mobile services.

Responsible Investment

Responsible investment is a standard part of operations at OP Fund Management Company and Pohjola Asset Management. 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.

Assessing the sustainability of investments results in more sustainable business operations, thereby contributing to the realisation of investors' objectives. Responsibility analyses are performed by Pohjola Asset Management investment managers and analysts, who make investment decisions daily. Pohjola Asset Management believes that by working in this way, it can effectively involve understanding of critical environmental, social and corporate governance matters in decision-making. OP Fund Management Company has outsourced the portfolio management of the investment funds it administers, and Pohjola Asset Management is the portfolio manager for most OP funds. For OP Fund Management Company, observing sustainability in investment operations comprises taking CSR matters into consideration when choosing portfolio managers,

conducting an active ownership policy, and including responsibility perspectives in its ownership practices.

One of the most important ways for OP-Pohjola to obtain information on and assess the responsibility of companies to invest in, are meetings between the portfolio managers and the companies' executives. In 2012, Pohjola Asset Management discussed corporate social responsibility in 121 meetings or other forms of contact. The topics of the discussions were as follows: 59 per cent on the environment, 18 per cent on social responsibility, and 23 per cent on corporate governance.

We believe that CSR can bring financial added value that benefits investors and the company's other stakeholders, including staff. We encourage our partners to carry out investment analyses that take responsibility aspects more into consideration than the traditional financial analysis does. In addition to commissioning research from the outside, Pohjola Asset Management carries out its own ESG analyses. The analyses carried out in 2012 mostly concerned individual companies' operations or matters such as the impact of global emissions trading on diverse sectors. We also investigated the sensitivity of various sectors to ESG risks and opportunities. This will help us further standardise the handling of responsibility matters in business meetings.

As before, Pohjola Asset Management and OP Fund Management Company took part in 2012 in the Carbon Disclosure project and the related Water Disclosure project. The purpose of these projects is to influence and encourage businesses all over the world to pay attention to the environmental impacts of their operations, to report on these matters and to seek solutions to climate change and water consumption issues.

As in earlier years, Pohjola Asset Management and OP Fund Management Company took part in the operations of FINSIF in 2012. The purpose of this forum is to increase awareness of

responsible investment. As two of FINSIF's founding members, Pohjola Asset Management and OP Fund Management Company have been represented on its board since the very beginning.

Positive Screening

OP Fund Management Company and Pohjola Asset Management do not exclude specific industries or sectors from their investment range, as the aim is to approach matters from a positive perspective. Positive screening is particularly visible in the OP Climate and OP-Clean Water funds.

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.

The OP-Clean Water Fund, investing in the water sector, was launched in November 2012. The fund 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. For investors, the fund offers attractive yield potential coupled with an opportunity to take part in solving a global problem.

Pohjola Property Management operates as part of Pohjola Asset Management, looking after its customers' real estate investments. In Finnish property maintenance and new real estate investments, the focus is on energy efficiency and waste treatment as part of daily management together with the facilities manager. To increase attention on ESG matters, during 2012 the company initiated a project for further developing the recognition and utilisation of ESG factors in property asset management.

Active Ownership

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. 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 2012, OP Fund Management Company attended 46 AGMs or Extraordinary General Meetings. A representative of OP Fund Management Company was appointed to the nomination committees of two companies in 2012.

Pohjola Property Management Ltd is a well-known international maker of indirect property investments, and the company's experts actively utilise their influence to make ESG factors known on the boards and in the investment committees of various funds and companies. In the case of new investments, the company strives to have ESG factors taken into account in fund or company investment activities already at the contract documentation stage. Pohjola Property Management's experts actively take part in various decision-making bodies to supervise portfolio development, yields and ESG matters.

As part of its indirect property portfolio, Pohjola Property Management administers a fund of funds in the form of a limited partnership, which invests in Europe. Quarterly reports are sent to fund investors on the fulfilment of ESG requirements in the included property funds. This is done by agreement with the investors in the fund's investment documentation.

Responsible Banking Services

Financing for Business Customers

The finance industry bears significant indirect corporate social responsibility. At OP-Pohjola Group, corporate financing is guided by ethical principles and guidelines for lending, which take account of social and environmental responsibility. In line with the Global Compact, OP-Pohjola is committed to promoting respect for human rights and fundamental principles and rights at work, environmental protection and anti-corruption activities.

Recognising and analysing the environmental impacts of financed projects is also important from the perspective of risk management. The recognition of environmental risks is included in OP-Pohjola's standard due diligence. Where necessary, analyses are backed by more in-depth assessments, conducted by independent third parties, of environmental risks and responsibilities related to individual customers or funded projects. These can be further expanded to cover the customer's social responsibility as a whole.

Pohjola Investment Banking expanded its stock analysis in early 2011 to cover ESG themes. It is understood today that responsibility is a competitive advantage, which in the long run will most probably have a positive effect on a company's profitability and shareholder value. Therefore it makes sense from many stakeholders' perspectives to include ESG as a part of stock analysis. In practice, this is done by communicating information on the largest companies' undertakings and development in ESG issues, through company reports and market reviews.

CSR themes and developments according to diverse responsibility indicators are also discussed more and more extensively in meetings with companies and investors. The aim is to assess the direction in which the company's operating environment and market will develop with regard to ESG in coming years. During 2012, an ESG

seminar was organised and the company familiarised itself with international companies' operating models within ESG matters on an investor trip to Southeast Asia.

A Responsible Financing team was established at OP-Pohjola in 2012. Its task is to describe the Group's current status within responsible lending, and to consider the opportunities and challenges of responsible financing. The Group believes that CSR matters will become increasingly important in our society.

The team also went through some of the loan terms used in the Group's lending, and proposed certain changes. The aim of the changes was to emphasise the responsibility of the debtor in compliance with the main applicable regulations and official permits (including environmental laws and permits) and with case-specific terms and conditions. The bank's ability to evaluate lending responsibility can be improved by increasing the debtor's information provision obligations (e.g. environmental reporting) and by linking these to the loan terms. To ensure that financing is used for a predetermined purpose, specifications and sanctions to this effect can be added to the loan terms.

The Responsible Financing team also considered the option of joining the Equator Principles agreement and its commitments. The team concluded that OP-Pohjola would not sign the agreement for the time being, because it only applies to a fraction of the projects funded by the Group. The Group will continue to follow the development of the agreement, however.

In 2011, Pohjola Bank plc and the Nordic Investment Bank (NIB) signed a contract for a EUR 50 million loan programme. This financing was targeted at investments made by Pohjola Bank to improve customer companies' energy efficiency, such as building projects for housing cooperatives and wastewater treatment in harbours. During 2012 the environmental loan was used to finance two large projects related to increasing environmental efficiency and

reducing negative environmental impacts. Through lending, Pohjola and NIB support measures that reduce emissions into water and air and promote the use of environmentally friendly solutions in heating systems. Pohjola and NIB made a preliminary agreement to extend the financing limit to apply also to financing services products that may include financing in the form of leases.

Financing for Private Customers

OP-Pohjola's guidelines for lending to private customers are based on responsible practices that take account of the customer's ability to repay the loan. A customer's risk is assessed holistically and lending is carried out with consideration to the Financial Supervisory Authority's lending recommendations and the customer's share of self-financing.

In loan negotiations, special attention is paid to the customer's ability to repay their debt, based on available income and risks associated with loan servicing. Topics discussed with the customer include the impact of an increase in interest rates on loan servicing costs and the loan period.

Careful assessment of the customer's repayment ability is mutually beneficial to the customer and the bank. An extensive financial services package allows OP-Pohjola to provide customers with essential information in support of decision-making and to offer customised comprehensive solutions from the Group's banking and insurance product range. Young customers in particular are assisted in managing their finances.

In line with OP-Pohjola's long-term perspective on operations, the best possible loan arrangement is selected for each customer, depending on their life situation. If a customer is in financial difficulties, an appropriate solution is always sought together with the customer. The aim is to help customers and viable companies through difficult times.

Responsible Insurance Services

The purpose of a non-life insurance company is to ensure that possible damage does not pose insurmountable financial difficulties to the party suffering the loss. A non-life insurance company assumes risks that are too great for customers to bear. In this role, the company must take care to act responsibly and in the customer's interests in all situations.

A non-life insurance company must also ensure that it has good financial standing. In practice, this means that the company's solvency and operations must have a financially stable foundation. This is why the minimum target credit rating set for Pohjola Insurance Ltd is A.

Pohjola Insurance is tasked with promoting its customers' risk management and security, and preventing damage. Pohjola has developed its customer insurance solutions and risk management services to prepare for extreme weather phenomena, which are becoming an increasing risk. Extreme weather conditions are expected to increase in Finland.

Pohjola's Risk Management Competence Centre surveys potential risk and safety factors together with the customer in order to optimise insurance solutions in collaboration with the customer relationship manager. Pohjola presented one national and twenty regional Security Awards to corporate customers that had developed security and risk management in a responsible manner within their companies.

During 2013, Pohjola will launch a risk management method for corporate customers, which will help companies improve their security processes comprehensively and in new ways. Also in 2013, a new corporate customer risk assessment tool will be taken into use by sales personnel, to provide customers with quick feedback on their company's risk level. In 2012, a training programme for

customer service personnel was carried out, with the aim of training approximately 200 people in enterprise risk management (ERM).

During the year a home safety service package intended for private customers was completed and piloted by OP-Pohjola Group personnel. The package will be launched to customers during 2013.

Within farm insurance, Pohjola Insurance carried out 306 electrical inspections on farms in 2012, with the help of a partnering expert. It aims to conduct a further 600 inspections in 2013 and 2014.

Pohjola Insurance focuses on ensuring the well-being of private customers and the employees of corporate customers. The company provides statutory and voluntary insurance policies aimed at managing customers' accident and health risks.

Pohjola Health helps corporate customers recognise and prevent risks related to personnel and to reduce work incapacity pensions, increase job satisfaction and improve their image as an employer. Pohjola Health is a new way of combining health care, insurance and occupational welfare services. It ensures personnel well-being and safety nationally.

Pohjola Insurance opened the Omasairaala day surgery centre in Helsinki, focusing on the examination and treatment of orthopaedic illnesses and injuries. The aim is to care for customers in the most optimal way possible, from an accident up to complete health. Not

only the patient but also the employer and the society benefit from speedy healing. The hospital began operating at the start of 2013.

Pohjola Insurance considers it important to have first-class claims services. During 2012 it continued to improve its online and telephone claims service in order to make this possible.

Thanks to its close cooperation with the Group's member banks, Pohjola Insurance is able to have a local presence when a customer expects personal service.

Ethical Business

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.

Risk-taking is an inherent part of banking and insurance operations. At OP-Pohjola Group, the purpose of risk management is to identify 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

Ethical business	2010	2011	2012	Goals	
				2013	2015
Recommended by private customers ¹			58	▲	▲
Recommended by corporate customers (Net Promoter Score)		31	32	▲	▲

¹ No comparable historical data available. The figure is not comparable with the Net Promoter Score (NPS).

of the entire OP-Pohjola Group. The risk management process includes the recognition, measurement and evaluation of risks, and their limitation, reporting and supervision.

Regulation of the financial sector sets strict requirements on 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 and insurance practices, and good stock market practices, which guide its operations. 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. 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.

OP-Pohjola Group builds long-term customer relationships based on mutual trust. 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. 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.

As required by good practice, OP-Pohjola values its customer relationships and treats its customers equally and professionally. OP-Pohjola is also engaged in active efforts to prevent money laundering and terrorist financing. 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 private customers, this is done using a continuous tracking study. In the survey, respondents grade their main bank and insurance company on a scale of 1–5. The survey was filled in by 10,242 private customers in 2012.

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. Responses were received from 1,297 SMEs in 2012.

Code of Business Ethics

To ensure the fulfilment of CSR principles, OP-Pohjola Group has formulated a Code of Business Ethics that collects together all the related instructions and principles in the Group. The Code of Business Ethics was approved by the OP-Pohjola Group Central Cooperative Consolidated Supervisory Board in 2012. 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.

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. Actions

or situations that violate the Code are usually processed via a local manager, HR or Compliance. They are handled as quickly as possible, confidentially and impartially, leading to the necessary measures being taken – possibly in collaboration with HR or the legal department.

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. OP-Pohjola treats its customers in an appropriate, fair and equal manner, and all customer-related information is processed with due care. Instructions for how to handle conflicts of interest in the OP-Pohjola Group were made in 2012. The instructions describe methods for strengthening customers' and stakeholders' trust in that OP-Pohjola Group complies with legislation, official regulations and instructions, and the principles of ethical sustainability in all its operations.

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.

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 adheres to the marketing guidelines of the Finnish Consumer Agency.

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 capacity to act.

Environmental Responsibility

OP-Pohjola's operations have direct and indirect environmental impacts, and the Group is committed to taking account of these. Environmental responsibility encompasses the environmental impacts of products, services and the Group's own operations. 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.

During 2012, the Group set new targets for 2013 and 2015. OP-Pohjola systematically develops its environmental management practices and strives to promote solutions that cause less harm to the environment.

Within environmental responsibility, OP-Pohjola Group focuses on reducing the Group's carbon footprint with diverse measures each year. The Group initiated the Vallila 2015 project, which relates to renovating all of the Central Cooperative's offices in Vallila, Helsinki, between 2012 and 2015. The aim for the project is to obtain LEED certification for the property. Overall use of space will be decreased by around 30 per cent by bringing all the offices in Helsinki under one roof.

During 2012, OP-Pohjola Group continued to address environmental matters within investment, financing and insurance products and services, promoted the use of video conferencing, revised procurement instructions by adding environmental supplier criteria, and advanced the adoption of the Green Office system in the member banks and the Central Cooperative. During 2013, the number of banking personnel working in Green Offices will increase, electronic service development will continue and environmental matters will be taken into further consideration as part of daily business.

Environment	2010	2011	2012	Goals	
				2013	2015
Our carbon footprint (tonnes CO ₂) ¹	28,318	34,847	32,743	▼	▼
Green Office Label, no. of employees ²	2,422	2,550	2,815	4,500	7,000

¹ Scope 1 and 2

² The estimate does not include the LEED project 2015

OP-Pohjola Group's Carbon Footprint

Calculation of the carbon footprint is helpful in recognising an organisation's impact on global warming and in cost-effectively diminishing greenhouse gas emissions.

OP-Pohjola's carbon footprint was calculated in accordance with the Greenhouse Gas Protocol guidelines developed by the World Resources Institute and the World Business Council for Sustainable Development. It is the best available tool for calculating the carbon footprint of an organisation. When assessing the calculation results, it should be noted that the carbon footprints of different organisations are not directly comparable. Before such a comparison, it must be verified that the limitations and assumptions applied in the calculation, as well as the emissions factors, correspond to each other.

During 2012 OP-Pohjola Group set itself the target of reducing its carbon footprint. To achieve this, OP-Pohjola will systematically develop its environmental management practices, promote solutions that cause less harm to the environment, and continue with the adoption of the Green Office system throughout the Group. The aim for the Vallila 2015 project is to get the LEED certificate for the new property.

OP-Pohjola Group's carbon footprint for 2012 was approximately 41,519 tonnes of carbon dioxide equivalent (46,369 in 2011),

which is 3,2 tCO₂ per employee¹ (3,7). Some 73 per cent (70) of the Group's carbon footprint was caused by electricity and heat consumed on office premises, 10.5 per cent (13.5) by motoring and 8 per cent (10.3) by paper consumption. The margin of error is 13.6 per cent (18).

OP-Pohjola's carbon footprint corresponds to the emissions from the energy consumption of around 9,436 (10,538) average Finnish single-family homes². The planting of 134,366 (150,062) trees would be required to compensate for these emissions³.

¹ The average carbon footprint of a person living in Finland is 12 tCO₂ per year. In addition to housing and transport, this figure includes emissions generated by industry and agriculture. Globally, the average footprint of one person is 4.5 tCO₂ (Source: World Bank Online Database / CO₂ emissions (metric tons per capita). The calculation is done by dividing the country's total emissions by the population.

² The energy consumption of a family of four in a 120 m² detached home is approx. 20,000 kWh per year. A rough estimate is that electricity and heat consumption account for 5,000 and 15,000 kWh of this consumption, respectively. Assuming district heating is used, the emissions of a single-family home amount to about 4.4 tonnes of carbon dioxide. These emissions have been calculated on the basis of the average specific emissions of electricity production, 200 g CO₂/kWh, and the average specific emissions of separate district heating production, 226 g CO₂/kWh, in Finland. (Source: WWF Finland)

³ One tree absorbs an average of 0.9175 tonnes of carbon dioxide over a period of 40 years after planting. However, the growth of a tree requires space for the roots, and sunshine and water. For this reason, three trees must be planted to ensure that at least one lives the required 40 years. One tree is therefore needed to absorb every 0.309 tonnes of carbon dioxide. (Source: WWF Finland)



WWF Green Office

OP-Pohjola Group extended its use of the Green Office system created by WWF throughout its premises during 2012. New premises to receive the certification included the OP-Pohjola Lapinmäentie property (900 employees). The aim is to increase the number of personnel working in Green Office-certified offices to 4,500 by 2013.

Green Office aims to reduce the environmental impacts of energy consumption, waste production and paper use in offices, and to promote environmental awareness among personnel. In buying goods and services, the Group abides by procurement instructions that take into account environmental perspectives.

The Central Cooperative has increased environmental awareness among personnel by holding Green Office events, in which staff have the opportunity to discuss matters such as waste sorting, incandescent bulbs, workplace catering and economical driving with experts. Additionally, staff have been encouraged to recycle books by holding book-sharing events on the Teollisuuskatu and Lapinmäentie premises. On Lapinmäentie, CSR and environmentally friendly office work are further promoted with a recycling point for spare office supplies.

The number of employees working in Green Office-certified offices has risen.

OP-Pohjola Group Vallila 2015 Project

The premises will be refurbished in a way which increases efficient use of space without detrimental effects on the work environment.

It will bring all employees of the Central Cooperative onto the same block, eliminating travelling between two offices completely by 2015. OP-Pohjola will create a workplace of the future, emphasising the opportunities and responsibility aspects of technology more than ever.

Demolishing has been planned in such a way that it will minimise the effect on the surrounding environment and its people. The waste created during demolishing will be sorted and recycled as much as possible. This will reduce the proportion of landfill waste to a minimum, around five per cent. All other demolishing waste will be reused.

The total carbon footprint of the demolishing operation will be calculated using a calculator created by Lappeenranta University of Technology and demolishing specialist Delete Oy. The calculation will take account of the climate impact of both the demolishing itself (energy, machinery, transports) and the construction waste. In 2011, OP-Pohjola Group created an environmental classification strategy for its Vallila property, assessing the applicability of international environmental certification systems to the renovation and construction project based on the preliminary project plan. As a result, the LEED system was chosen.

In the Vallila 2015 project, the LEED system is used to direct the planning and construction, and for the development of maintenance and usage models that will help with the achievement of the system's targets. When the project is completed, the fulfilment of targets will be independently assessed, after which the LEED certificate will hopefully be granted as a sign of the building's environmental efficiency.

OP-Pohjola's Vallila and Lapinmäentie offices are located along public transport routes. Timetable screens from Helsinki Region Transport were installed in both buildings' lobbies in 2012. Bicycle parking and changing rooms are offered for those who cycle to work.



GRI Corporate Responsibility Data

OP-Clean Water:

The OP-Clean Water Fund invests in companies operating sustainably in the water resource management field. The companies in the fund fight for clean water by developing new solutions for water purification and conservation. For investors, the fund offers attractive yield potential coupled with an opportunity to take part in solving a global problem.

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. Consideration has also been taken of the GRI Financial Services Sector Supplement. OP-Pohjola Group's sustainability reporting also encompasses information required by the Global Compact, with regard to the promotion of principles related to human rights, labour, the environment and anti-corruption activities.

Integrated reporting combines CSR data with the Group's strategy and business, corporate governance and financial results. In the development of its approach to sustainability reporting, OP-Pohjola follows the work of the International Integrated Reporting Committee (IIRC), which is preparing a model for integrated corporate reporting. The aim is to develop sustainability reporting as an integral part of the Group's annual reporting and thereby to measure the results and impact of CSR activities in relation to the Group's operations.

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 2012, 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 significant to stakeholders and the Group's business operations. Part of this information is reported in a different manner to that recommended by the GRI Guidelines. An account is given of deviations with respect to such information.

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

GRI Performance Indicators

	2010	2011	2012
FS8 Products designed to deliver a specific environmental benefit, OP Climate Fund's and OP-Clean Water Fund's share of the capital invested in all equity funds (%) ¹	2.6	1.5	1.7
EC3 Coverage of defined benefit pension plan obligations (€ million) ²	-182	-71	6
EC6 Percentage of local suppliers	94	97	98
LA1 Total workforce	12,504	13,229	13,290
LA2 Employee turnover (%) ³	6.7	6.4	6.1
LA7 Lost time (sickness absence) rate (%)	3.7	3.5	3.6
LA10 Training investments, % of total payroll	2.0	2.5	2.5
LA12 Employees involved in performance and career development reviews (%)	92*	90*	87
LA13 Employees by gender (%)			
Men	25	27	27
Women	75	73	73
LA13 Employees by age (average age)	44	43	43
EN4 Energy consumption (GJ) ⁴	177,250	162,229	205,919
EN16 Total greenhouse gas emissions (tonne)	38,380	46,369	41,519
EN1 Materials used (office paper, kg) ⁵	448,601	387,365	325,187
EN22 Total weight of waste (tonne) ⁶	990	1,058	1,286

¹ OP-Clean Water Fund was launched in November 2012

² For details, see Note 39 to OP-Pohjola Group's Financial Statements

³ The calculation method has been changed to correspond to GRI 3.0 guidelines

⁴ Includes 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

⁵ Includes OP-Pohjola Group Central Cooperative Consolidated and Helsinki OP Bank Plc and an estimate of materials used by OP-Pohjola Group member cooperative banks based on the use by the first two per employee

⁶ Includes buildings in OP-Pohjola Group Central Cooperative Consolidated's own use

* OP-Pohjola Group Central Cooperative Consolidated

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. 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 is one of the focus areas of OP-Pohjola Group's corporate social responsibility. Matters related to corporate responsibility and their development have influenced the content of many products and services offered by the Group, as responsibility is being integrated into all product and service development. Continuous improvement of responsible investment, responsible financing and responsible insurance models takes place. An example of a product providing environmental benefits is the OP-Climate Fund, in which investments are made in line with sustainability principles, with a special emphasis on the environment. The fund's assets are mainly invested in sectors on which climate change and the related preparations are estimated to have the greatest impact.

The OP-Clean Water Fund, which invests into companies in the water resource management field, was launched in 2012. The fund focuses on companies within development of water-saving technology, pollution prevention and construction of reliable water infra-

structures. For investors, the fund offers attractive yield potential coupled with an opportunity to take part in solving a global problem.

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. A breakdown of the portfolio is presented in detail in Note 58 Segment reporting to OP-Pohjola Group's Financial Statements (op.fi).

Overall value of products and services producing particular benefits to society, by sector and purpose (FS7)

As a responsible lender, OP-Pohjola Group recommends products that have value for the customer and the customer's related parties, but also for society. These products include repayment security, Gold Security and sabbatical credit.

OP-Pohjola Group recommends that its loan customers take loan repayment security to help them in repaying their loan in cases of incapacity to work or unemployment. It repays the remaining loan if the insured borrower becomes seriously disabled or dies. In addition to a health examination, the insurance requires that the borrower be employed or self-employed. Around one third of all loans (by volume) are secured under repayment security.

Gold Security is insurance against serious illness, which allows OP-Pohjola Group customers to supplement the treatment offered by public health care and to speed up access to treatment. Thousands of these policies are taken out each year. The biggest proportion of compensation relates to cancer.

Sabbatical credit allows customers to ease their finances during job alternation leave or other unpaid or low-paid leaves of absence. Sabbatical credit is given to union members, regardless of whether they are OP-Pohjola customers. To receive credit, customers

must fulfil general creditworthiness criteria and provide proof of their job alternation leave or other unpaid or low-paid leave of absence.

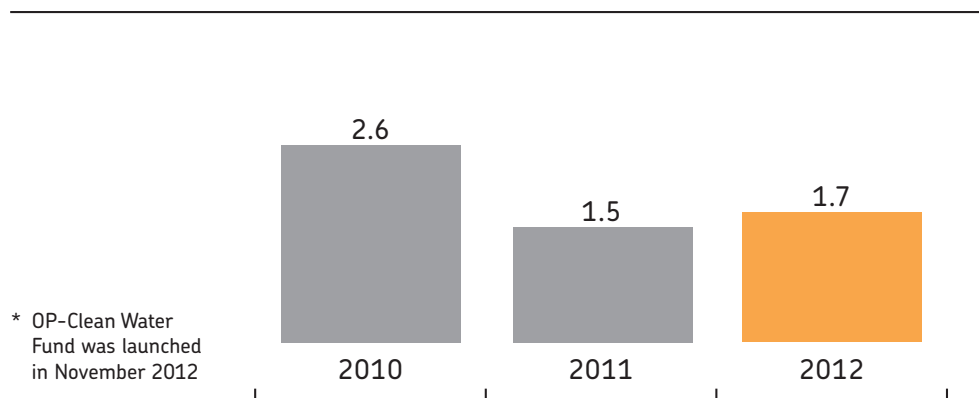
The maximum credit sum is EUR 10,000 to be repaid within five years. Repayment can be agreed to start after the end of the leave of absence.

Interruption of earnings credit is intended for union members whose regular earnings are interrupted due to industrial action approved by the union, or a redundancy or lock-out. It may also be granted to union members who have been laid off for financial or production reasons, whose earnings are interrupted during the unemployment fund's processing period.

The credit is given to union members, regardless of whether they are OP-Pohjola customers. It is dependent on fulfilment of certain creditworthiness criteria and presentation of proof of industrial action approved by the union, redundancy or lock-out. The maximum credit sum is EUR 6,000 to be repaid within three years.

FS8 Products designed to deliver a specific environmental benefit

OP Climate Fund's and OP-Clean Water Fund's share of the capital invested in all equity funds, %*



Products designed to deliver a specific environmental benefit (FS8)

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. At the end of 2012, the capital invested in the fund totalled EUR 33.9 million, which accounts for 0.9 per cent of the capital invested in all equity funds.

The OP-Clean Water Fund focuses on companies within development of water-saving technology, pollution prevention and construction of reliable water infrastructures. Having been started in November 2012, the fund's capital at the year-end totalled EUR 30.4 million, which accounts for 0.8 per cent of the capital invested in all equity funds.

Most of OP-Pohjola Group's customers have opted to receive online bank statements instead of paper statements. In 2012, one million fewer paper statements were sent out than in 2011. E-invoices have become an integral part of the basic package of payment transaction services, as it speeds up companies' billing processes and saves time.

Scope and revision frequency of environmental and social policies and risk assessment methods (FS9)

OP-Pohjola Group develops its CSR audit methods as part of its overall governance procedures. Because responsibility 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 management.

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, they meet with Finnish investment targets at least once a year, and meetings with European and Russian companies are also frequent. Meetings with parties from other markets are less frequent. At the meetings, regular discussions are conducted on the companies' CSR.

Responsible Investment

Active Ownership

Interaction on sustainability issues with companies held in the organisation's portfolio (FS10)

A responsible investment process is used by both Pohjola Asset Management and OP Fund Management Company. This process covers the entire chain, from Pohjola Asset Management's princi-

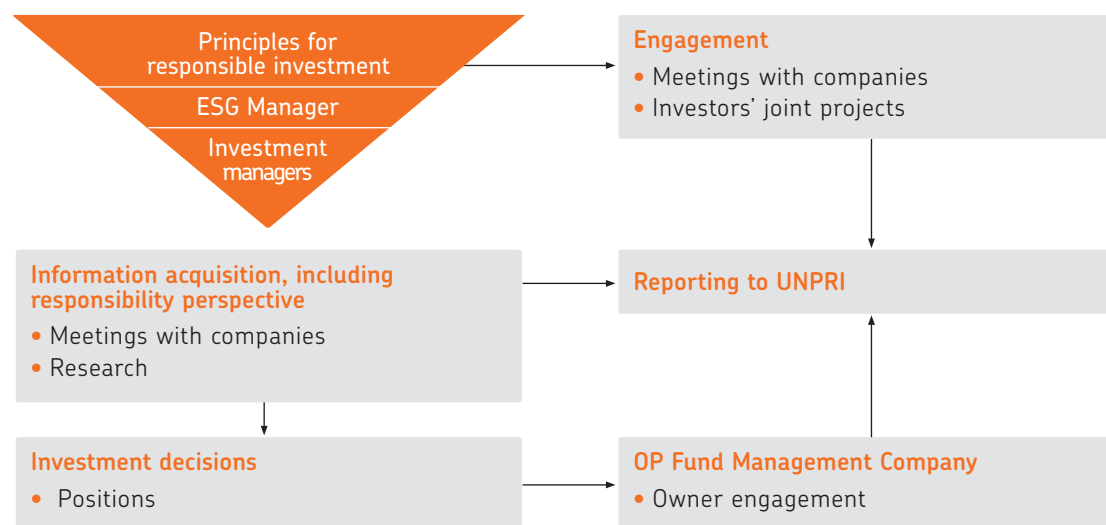
ples for responsible investment to meetings with companies and engagement processes within investment management. In line with this process, the voting rights of OP funds are used by OP Fund Management Company. Both companies report annually to the UNPRI.

In 2012, Pohjola Asset Management discussed corporate social responsibility in 121 (83) meetings or other forms of contact. The topics of the discussions were as follows: 59 per cent on the environment, 18 per cent on social responsibility, and 23 per cent on corporate governance. Responsibility analyses are performed by investment managers and analysts, who make investment decisions daily. 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.

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. 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. Some OP Funds investing abroad are managed by investment managers outside Pohjola Asset Management. OP Fund Management Company has also signed the UN Principles for Responsible Investment (UNPRI), and reports on their implementation with respect to all of its funds.

Pohjola Investment Banking expanded its stock analysis in early 2011 to cover ESG themes. It is understood today that responsibility

Pohjola Asset Management's ESG process description



is a competitive advantage, which in the long run will most probably have a positive effect on a company's profitability and shareholder value. Therefore it makes sense from many stakeholders' perspectives to include ESG as a part of stock analysis.

In practice, this is done by communicating information on the largest companies' undertakings and development in ESG issues, through company reports and market reviews. CSR themes and developments according to diverse responsibility indicators are also discussed more and more extensively in meetings with companies and investors, with the aim of assessing the direction in which the company's operating environment and market will develop with regard to ESG in coming years. During 2012, an ESG seminar was organised and the company familiarised itself with international companies' operating models within ESG matters on an investor trip to Southeast Asia. The OP Investment Banking responsibility analysis currently covers all companies in the OMX Helsinki 25 Index, excluding Pohjola.

Voting policies applied to environmental or social issues for shares over which the reporting organisation holds the right to vote or advises on voting (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. 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 2012, OP Fund Management Company attended 46 (47) AGMs or Extraordinary General Meetings. A representative of OP Fund Management Company was appointed to the nomination committees of two companies in 2012.

Financial Literacy

Financial literacy (FS16)

In 2012, financial literacy was promoted among various target groups, by working with partners such as schools. In addition, the member banks 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. A financial literacy survey was conducted during the year to gain an understanding of people's knowledge of financial matters in Finland, and of their financial planning and management skills. The survey will be utilised in the planning of measures aimed at promoting financial literacy.

OP-Pohjola publishes several finance-related customer magazines, of which the largest are OP-Pohjola and OP-Pohjola Nytt, sent to owner-members and Helsinki OP Bank Plc's bonus customers. Metsäraha ja Kultajyvä are directed at customers engaged in agriculture and forestry, while the magazine for corporate customers is OP-Pohjola Yritys. Chydenius is a financial publication aimed at political, corporate and business decision-makers. Its target group also includes people involved in OP-Pohjola Group's own administration.

Economic Responsibility

Economic responsibility encompasses both ensuring the economic sustainability of an organisation's operations and taking account of the wider economic impacts on society. 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. Economic responsibility lies at the core of OP-Pohjola Group's operations. Solid capital adequacy, moderate risk-taking and skilful risk management, along with commitment to the long-term development of society, are the cornerstones of our business.

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:

EC1 Direct economic added value generated

Direct economic added value generated (€ million)		2010	2011	2012
a) Income	Customers	2,024	2,059	2,271
Breakdown of economic value added				
b) Purchases	Suppliers	505	547	575
c) Employee compensation	Personnel	643	696	749
d) Returns to owner-members	Owners	163	176	192
e) Income tax	Government	135	87	119
f) Donations and other community investments	Non-profit organizations	2	3	3
Business development		575	549	633

Economic Impacts

Economic impacts (EC1 and EC9)

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 transactions. The Group's cooperative banks and their offices across Finland enable effective interaction with customers and the local community. At the end of 2012, the Group's member banks had 516 branches.

OP-Pohjola Group is a significant purchaser of goods and services. In 2012, 98 per cent of the purchases made through the Group's electronic procurement system were from Finnish suppliers of goods and services. 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. Cooperative banks are often among the largest taxpayers.

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

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);

- Acquisitions (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, local taxes, property taxes, other taxes).

Coverage of the organisation's defined benefit plan obligations (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.

Read more in the Consolidated Financial Statements of OP-Pohjola Group's Annual Review 2012 (op.fi).

Significant financial support received from the government (EC4)

In collaboration with the Centre for Economic Development, Transport and the Environment, Pohto, Sovolto and Nokia's Bridge programme, OP-Pohjola Group provided change management and specifically tailored training to employees recruited by OP-Services in Oulu. The training applied to just under 100 people. The Centre for Economic Development, Transport and the Environment funded their attendance on 10–20 training days. The funding came from state funds. During 2012, no other significant financial assistance was received.

Environmental Responsibility

At OP-Pohjola, environmental responsibility encompasses the environmental impacts of both products and services, and the Group's operations. The aim is to systematically reduce the Group's carbon footprint and openly report on the environmental impacts operations. Through its actions, OP-Pohjola also strives to increase environmental awareness among its employees and customers.

Energy and Climate

Carbon footprint, reduction of greenhouse gas emissions (EN4 and EN16)

OP-Pohjola Group's operations have both direct and indirect environmental impacts. The latter are related to the Group's role in taking account of the environmental impacts of customers' operations and in providing guidance and advice to customers on financing, non-life insurance and investment decisions.

The Group aims to reduce the environmental impacts of its operations (energy, waste and materials) and to systematically develop its environmental management practices.

OP-Pohjola Group's carbon footprint for 2012 was approximately 41,519 tonnes of carbon dioxide equivalent (46,490 tonnes in 2011). The emissions from OP-Pohjola's own operations (scope 1 & 2) totalled 32,743 (34,847) tonnes of COE.

Direct and indirect energy consumption (EN3 and EN4)

Curbing climate change resulting from energy consumption is a key objective of the Group's environmental activities. In collaboration with its partners, OP-Pohjola Group has developed solutions for the repair, maintenance and use of its properties, which reduce their life-cycle environmental impacts.

The total electricity consumption of OP-Pohjola Group's biggest properties in Helsinki (Teollisuuskatu, Vääksyentie, Elimäenkatu 5, Elimäenkatu 15, Lapinmäentie and Hiomotie) was 205,919 GJ (162,359). The increase was due to the Vallila 2015 project relating to the renovation and demolishing of old premises in Vallila.

OP-Pohjola also pays attention to the indirect emissions from its operations, based on electricity and heating purchased for its large Helsinki properties, the member banks' offices and the Group's data centres from third parties.

OP-Pohjola Group's biggest properties in Helsinki (Teollisuuskatu, Vääksyentie, Elimäenkatu 5, Elimäenkatu 15, Lapinmäentie and Hiomotie) receive district heating, which makes fuel management and energy production the responsibility of the energy companies. The indirect energy consumption of the big Helsinki properties (Teollisuuskatu, Vääksyentie, Elimäenkatu 5, Elimäenkatu 15, Lapinmäentie and Hiomotie) in the form of specific district heating

consumption was 70.6 GJ. Testing of a back-up generator for the Lapinmäentie property used around 27.7 GJ of diesel.

A marginal proportion of OP-Pohjola Group's direct energy consumption consists of energy obtained from renewable sources. The exact figure is not available.

Other greenhouse emissions caused by indirect energy consumption (EN17)

Out of the emissions listed in the GHG protocol's Scope 3 for calculating the carbon footprint, OP-Pohjola Group takes into account commuting, purchased transports and paper use. The Group has instructions to be applied to business travel by personnel. CO₂ emissions from business travel totalled 3,880 tnCO₂ for 2012 (3,926). The Group has made investments into video and online conferencing technology to reduce business travel. Emissions are also caused by the Group's own transports and other transports controlled by the Group. These totalled 22.1 tnCO₂ in 2012 (11.5).

Biodiversity

Location and size of land owned or managed in areas of rich biodiversity (EN11)

OP-Pohjola Group owns land areas, but there is no comprehensive data on their protection status. The Group will conduct closer investigations of its land and its surrounding areas.

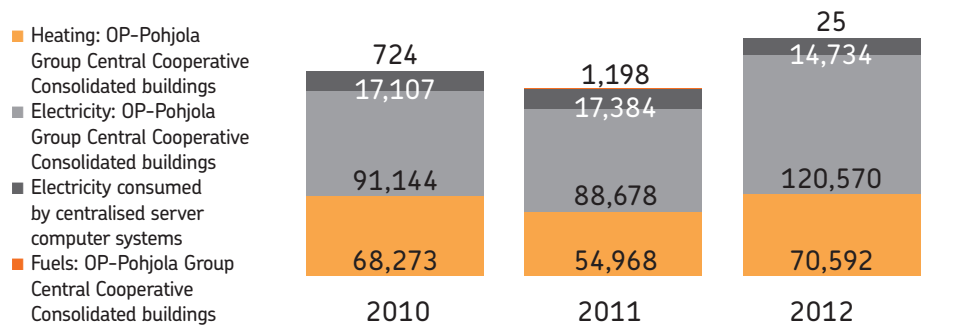
Impact on biodiversity of the organisation's operations, products and services in conservation areas or areas of rich biodiversity (EN12)

The finance industry has no significant effects on biodiversity.

Pohjola Asset Management Ltd manages three OP Fund Management funds that actively invest into raw materials: OP-Commodity, OP-Absolute Portfolio and OP-Equity Hedge.

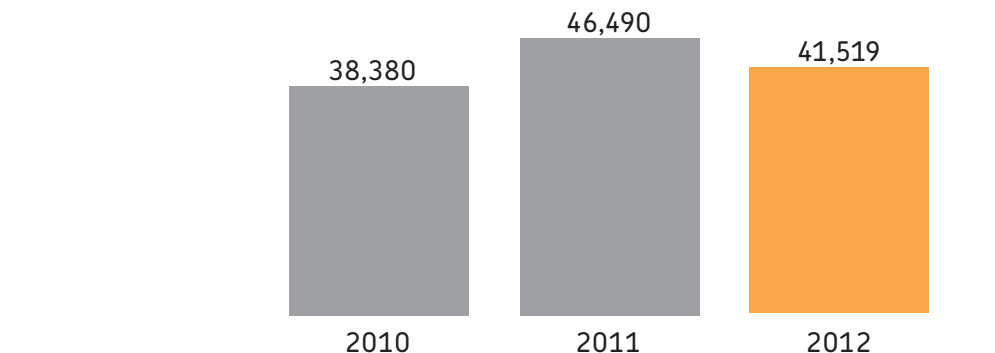
EN4 Energy consumption

GJ



EN16 Total greenhouse gas emissions

tonne



The portfolio managers may invest into diverse commodity-related instruments within the scope of the fund's rules and internal instructions.

Materials

Use of materials (EN1) and Use of recycled materials (EN2)

OP Pohjola Group's operations consume large amounts of office paper. OP-Pohjola has initiated measures to reduce the use of paper through wider implementation of the Green Office system within the Group and the development of electronic services. In 2012, OP-Pohjola's functions used 325.2 tonnes of office paper (387.4 in 2011). The paper used is manufactured in Finland without recycled fibre.

Waste

Waste (EN22)

Waste sorting is an everyday activity at OP-Pohjola. All employees have their own containers for office paper, waste paper and waste, which can be used in energy generation. Shared premises have containers for confidential material, mixed waste and biodegradable waste. There are also collection points, such as batteries, wood and hazardous waste, for other types of waste. The amount of waste generated is reduced by developing practices, for example by enhancing electronic archiving and recycling, and by providing better instructions on waste sorting. On office premises used by OP-Pohjola Group Central Cooperative Consolidated, waste volumes have fallen in recent years, due to conscious efforts.

Thanks to efficient sorting, a recovery rate of 94.9 (87.4) per cent has been achieved for all waste generated by OP-Pohjola Group Central Cooperative Consolidated. Waste taken to a landfill site

accounted for 5.1 (12.6) per cent. OP-Pohjola Group's operations do not create hazardous waste.

Environmental Impacts of Products and Services

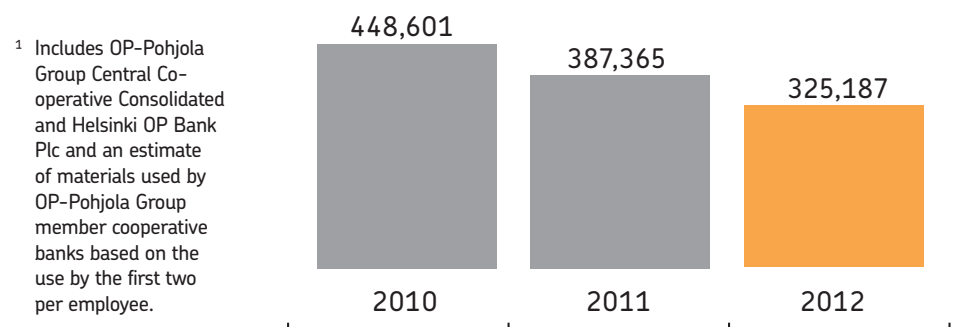
Environmental impacts of products and services (EN26)

OP-Pohjola offers a comprehensive range of electronic banking and insurance services, which are continuously developed. In 2012, personal customer service also went online. New tools, such as videoconferencing and online discussion, were tested on the web. Banking and insurance matters can now be taken care of via smartphone, by private and corporate customers alike.

The goal is to offer customers investment, financing and non-life insurance products and services that can help reduce environmental impacts across the value chain. In 2011, OP-Pohjola Group initiated the comprehensive development project TEHO, approved by the Executive Board, whose aim is to bring about group-wide

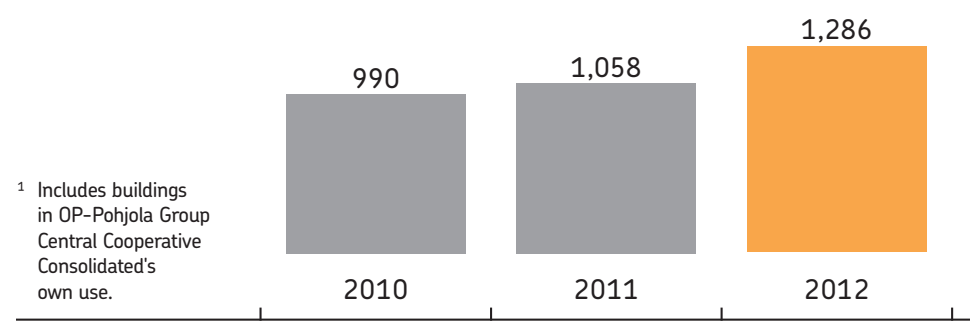
EN1 Materials used

office paper, kg¹



EN22 Total weight of waste

tonne¹



savings in purchasing and to improve and streamline purchasing-related services. The Group's procurement policy and instructions were revised as part of this project, and CSR aspects were added. OP-Pohjola Group may only use suppliers who bear their part of responsibility for the environment, safety and ethics, among other things. Suppliers must ensure that their subcontractors abide by the same principles.

Social Responsibility

OP-Pohjola Group's cooperative structure and operating principles make it well-placed to implement social responsibility. HR management at OP-Pohjola is based on the Group's values and responsible practices. The principles of HR management guide responsible operations and their development. The Group invests heavily in the development of employee skills and management, employee well-being, remuneration and the promotion of equality. Employees are encouraged to develop and share their competence throughout their careers.

Workforce Structure

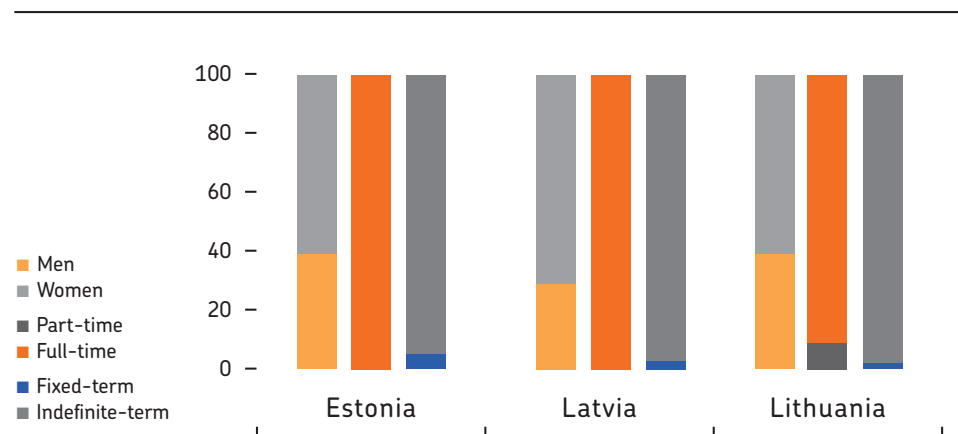
Workforce structure (LA1, LA2 and LA13)

The number of employees of the OP-Pohjola Group grew by 61 in 2012. At the end of the year, the Group employed 13,290 people (13,229 in 2011). Of these, 94 (92) per cent were permanently employed and 6 (8) per cent were fixed-term employees. In the Baltic region (Seesam Baltic companies and Pohjola Finance) the Group had 350 employees (335), of whom 97 (95) per cent were permanent and 3 (5) per cent fixed-term employees. The employee turnover was 6.1 (6.4) per cent, most of which consisted of retirement.

OP-Pohjola wants to provide equal working opportunities for all employees. In 2012, 73 (73) per cent of the workforce were women and 27 (27) per cent were men. The age distribution remained

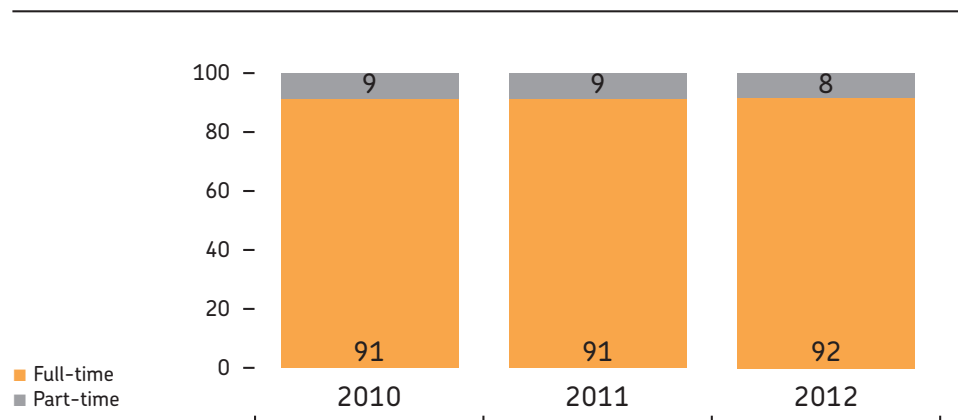
LA1 Workforce in the Baltic countries by country, gender, type of employment and type of employment contract

%



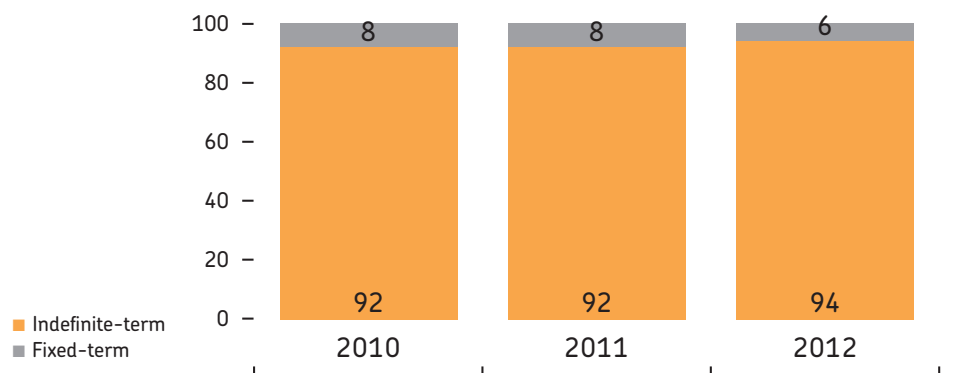
LA1 Workforce

by type of employment, %



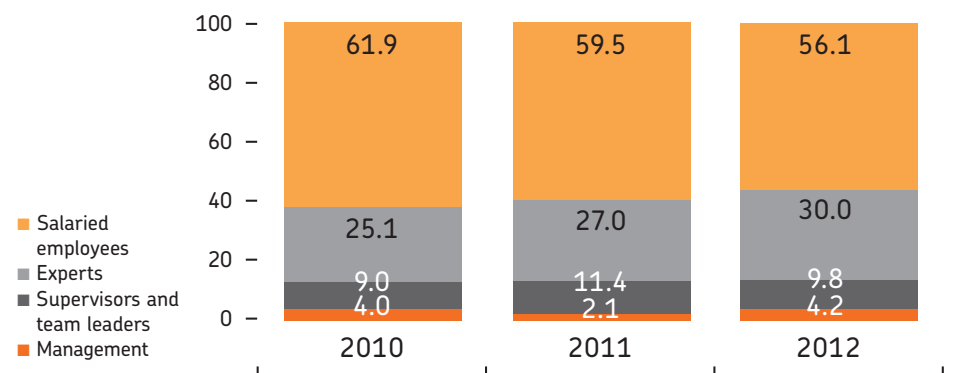
LA1 Workforce

by type of employment contract, %



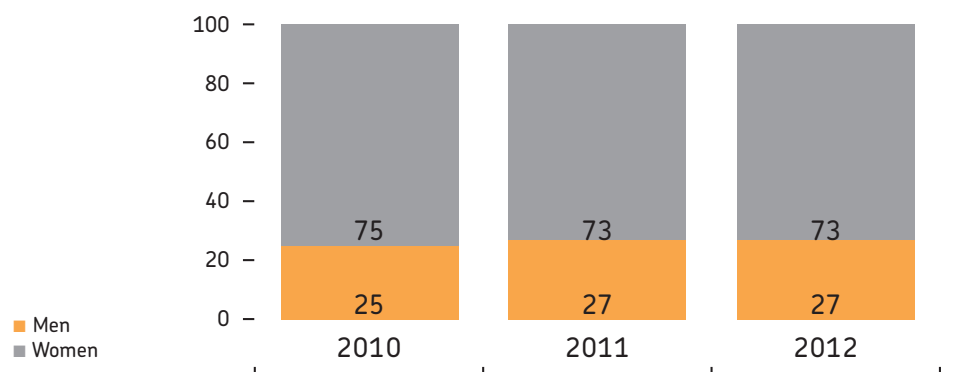
Breakdown by personnel group

%



LA1 Workforce

by gender, %



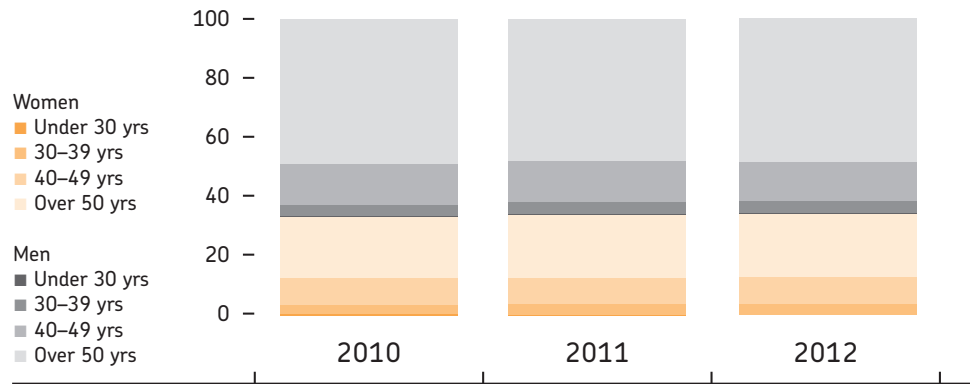
LA2 Employee turnover

%



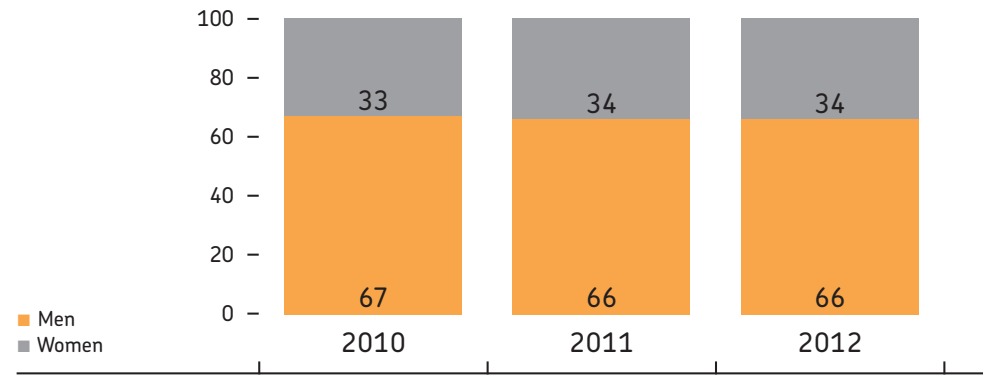
LA13 Composition of governance bodies

by age, %



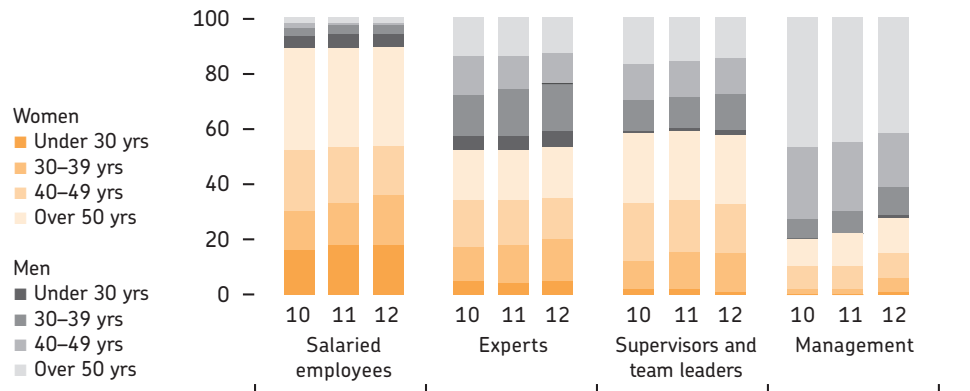
LA13 Composition of governance bodies

by gender, %



LA13 Composition of employees

by age, %



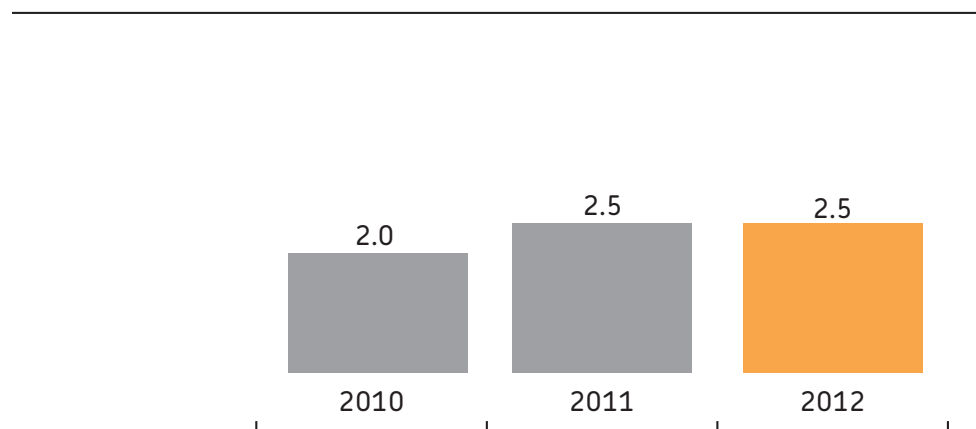
LA13 Composition of employees

by gender, %



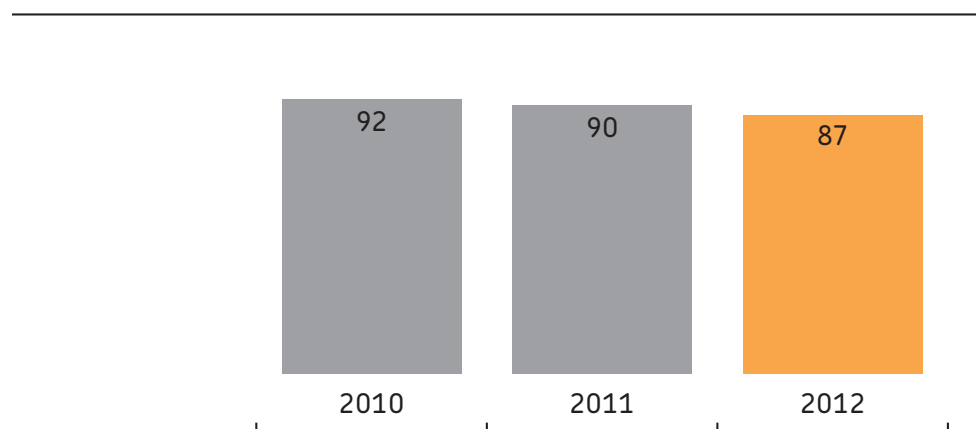
LA10 Training investments as percentage of total payroll

%



LA12 Employees involved in performance and career development reviews

%



stable. At the end of 2012, the average age was 43 (43) years. The average age of those who retired in 2012 was 61.5 (61.5) years, and they had been employed by the Group for an average of 23.1 (24.5) years.

Employer-Employee Relations

Proportion of employees under collective labour agreements (LA4)

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

Minimum notification period to be observed in reorganisations (LA5)

OP-Pohjola abides by local legislation in all its operations. In Finland, the main regulations concerning corporate reorganisations are found in the Act on Cooperation 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.

Skills Development

Skills development (LA10 and LA12)

Competence development is one of OP-Pohjola Group's strategic areas of focus. Employees are encouraged to make use of the diverse competence development methods available in the Group. In 2012, the major training themes were management and supervisory work, as well as asset management and corporate customer relationship management. The strategy demands that support be provided for internal personnel mobility in future. In 2012, training investments accounted for 2.5 (2.5) per cent of the total payroll. Employee performance reviews also play an important role

in training and education. Performance and career development reviews are conducted with all of OP-Pohjola Group's employees in Finland and overseas.

Occupational Welfare, Health and Safety

Schemes for employees and local communities against serious illness (LA7 and LA8)

Employers in OP-Pohjola Group have been recommended to take extensive health insurance for their personnel. As of 1 January 2013, 203 companies and organisations in the Group had insured their personnel. This meant 11,055 employees (83.2 per cent of personnel).

The insurance supplements occupational health care and covers the cost of examinations and treatments of illnesses or injuries (including surgery), on referral from the occupational health doctor, even for prior conditions. In cases of serious illness it covers physi-

otherapy, psychotherapy, neuropsychotherapy, occupational therapy and speech therapy.

Regular health checks are conducted by the occupational health care provider based on age and when necessary. The purpose of these health checks is to work with employees to identify personal resources, support the life/work balance, consider lifestyle-related risks, detect latent illnesses and promote health. When necessary, patients are directed to the appropriate treatment or rehabilitation.

Various needs-based health checks are arranged based on a separate plan when circumstances or work-related situations demand it (e.g. at the end of employment or in times of particular stress for managers).

Due to the nature of the Group's operations, occupational accidents account for a very insignificant proportion of absences.

Employee well-being (LA7)

OP-Pohjola is committed to determined and ongoing efforts to promote employee well-being. Job satisfaction and occupational welfare are monitored with an employee survey, which is applied consistently throughout the Group. The results of the survey are used in operational development at the workplace, company and Group levels.

In Finland, all of OP-Pohjola's employees are covered by occupational health services. In the Baltic countries, these services are arranged as required by the legislation of each country.

In 2012, sickness absence accounted for 3.6 (3.5) per cent of potential working hours.

Diversity and Equal Opportunities

Proportionality of remuneration for men and women (LA14)

Basic pay at OP-Pohjola is determined by job grade, personal competence and performance. For those included under collective labour agreements, a part of pay rises is determined based on collective bargaining. OP-Pohjola Group's remuneration policy wants to support equal remuneration at all levels. Equality surveys are carried out to monitor the equality of remuneration by employee group, and no significant differences have been found between the remunerations of men and women.

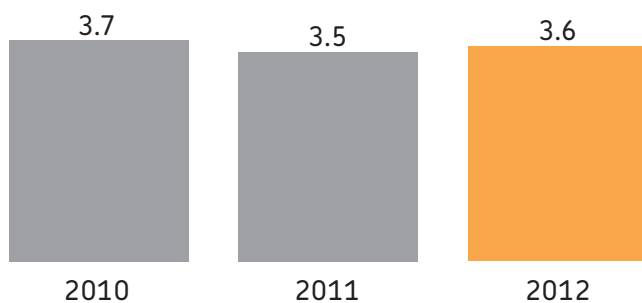
Human Rights

Human rights assessments of suppliers and subcontractors (HR2)

OP-Pohjola Group includes ethical, social and environmental demands in its procurement contracts. 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.

LA7 Lost time (sickness absence) rate

%



Human rights (HR3)

Respecting human rights is a key element of corporate social responsibility. By signing the principles of the UN Global Compact, OP-Pohjola Group has committed itself to supporting human rights and fundamental labour principles in its business operations. OP-Pohjola Group does not, under any circumstances, accept the violation of human rights or workers' rights. OP-Pohjola Group mainly operates in countries where there is only a low risk of human rights and workers' rights violations. Recognition and management of human rights risks are part of the Group's risk management, compliance operations and stakeholder engagement.

OP-Pohjola Group can best promote human rights through its products and services, as well as through responsible purchasing. Assessment of human rights risks is an integral part of the process of responsible investment. Account is also taken of social responsibility risks in ethical lending principles and insurance risk assessments. Moreover, respect for human rights and labour standards has been included in the Group's purchasing policy. We expect our partners and suppliers to act responsibly, in compliance with the Group's operating principles.

The implementation of the Code of Business Ethics, initiated in 2012, includes training on human rights. In addition, employees receive training on the principles of the Global Compact as part of OP-Pohjola Group's Corporate Social Responsibility Programme. This enables them to identify ways in which they can promote the realisation of human rights in business.

Society

Society (S02, S03, S04, S07 and EN28)

OP-Pohjola contributes to sustainable financial prosperity, security and well-being in society. The Group interacts continuously with local communities and collaborates on a wide scale to boost regional

vitality. In accordance with its values, the Group operates locally, regionally and nationally as an exemplary and ethically responsible company.

OP-Pohjola's operations are guided by a Code of Business Ethics. The Group complies with laws, standards and regulations and adheres to the principles of honest and fair business everywhere. This includes anti-corruption and anti-bribery policies, transparency in influencing public policy-making, and adherence to competition regulations. Industry regulations place strict requirements on business operations and their social impacts. OP-Pohjola Group's internal control, corporate governance and capital adequacy management process are governed by the Act on Credit Institutions (2007/121), the Act on Cooperative Banks and Other Cooperative Credit Institutions (2001/1504), the Insurance Companies Act (2008/521) and the Act on Deposit Bank Amalgamations (2010/599), as well as the Financial Supervisory Authority's standards, regulations and guidelines. By signing the Global Compact's principles, OP-Pohjola has also committed to promoting the development of anti-corruption and anti-bribery policies within its sphere of influence.

All organisational units in OP-Pohjola Group must assess operational risks regularly. One aspect of this assessment involves bribery.

An important part of OP-Pohjola Group's operations is continuous training of employees in anti-corruption and anti-bribery policies, as well as against money laundering and other criminal financial activity. Personnel are actively offered training related to preventing money laundering and carrying out due diligence. Training on the Group's Code of Business Ethics for all employees began in 2012. OP-Pohjola Group applies consistent procedures and Fit and Proper Criteria for the handling of abuse and misconduct. The Fit and Proper Criteria concern reliability, suitability and professional

capability assessments of persons employed in governance and management.

During 2012, seven cases were handled, of which five were cases of internal misconduct, one was an environmental offence and one was another type of offence. The environmental offence was as follows: The contractor used by the bank to pull down buildings in a holiday village owned by the bank neglected to dispose of the deconstruction waste as agreed, as a result of which the bank's managing director received a sentence of environmental infraction, and the bank too was found to be guilty of an environmental infraction. As to the bank, the summary penal order was retracted because it was a minor offence. The decision is not final, however, and the case has been taken to the Court of Appeal.

Two cases were also under monitoring in which persons involved in bank management were accused of offences taking place outside of the bank. In these cases the persons have stepped down from their management positions for the duration of the legal proceedings and may have to resign permanently depending on the verdict.

None of the abovementioned cases was related to human rights abuses or discrimination. No cases that might fulfil the criteria for bribery or corruption have come up within OP-Pohjola Group. Additionally, none of the cases has been related to abuses of competition regulations or breaches of customer information confidentiality.

None of the abovementioned cases has had significant impacts on the Group's finances or CSR matters.

Availability of financial services in sparsely populated or underdeveloped areas, by service type (FS13)

OP-Pohjola Group has 519 branches around Finland, and additionally provides comprehensive online and telephone services. The Group boasts Finland's largest network of banking and insurance

services. This means that customers have equal access to services, wherever they live.

Initiatives to improve the availability of financial services for handicapped persons (FS14)

OP-Pohjola offers easy-to-use and clear-text versions of its online banking service. Those with vision impairments can receive their online banking codes in Braille.

Organisation's public political statements and participation in political influencing and lobbying (SO5)

OP-Pohjola Group looks after stakeholders' interests by actively following the development of all regulations related to banking and insurance in Finland and the European Union. Any changes that become effective are reported in good time to the operational divisions and the executive management. The Group takes part in developing concrete change projects by making statements and giving opinions. If necessary, it will meet with those preparing the changes and with decision-makers, providing them with necessary factual data. Some of the Group's central partners in Finland are the Federation of Finnish Financial Services and Central Chamber of Commerce of Finland, as well as the European Association of Cooperative Banks (EACB) at EU level.

Sum of monetary fines related to significant violations of laws and regulations and number of non-monetary sanctions (SO8)

During 2012, the Financial Supervisory Authority fined OP-Services Ltd the sum of EUR 5,000 for neglecting to submit official data on time.

Product Responsibility

Programmes related to compliance with laws, standards and voluntary principles of marketing communications (incl. advertising, sales promotion and sponsorship materials) (PR6)

and Procedures related to responsible development and sale of financial services and products (FS15)

The finance industry is tightly regulated, which means that OP-Pohjola complies with laws, standards and voluntary principles in all of its operations.

The Group complies with marketing legislation and the self-regulation guidelines of international organisations, including those of the International Chamber of Commerce (ICC) in its marketing. It also adheres to the marketing guidelines of the Finnish Consumer Agency.

GRI Reporting Principles

This report is OP-Pohjola Group's second Corporate Social Responsibility Report prepared in accordance with the Global Reporting Initiative (GRI) Guidelines. Previously, the GRI Guidelines have been used in OP-Pohjola's sustainability reporting as general guidance only. The report includes a GRI Content Index and an assessment of the GRI Application Level. OP-Pohjola aims to further develop the Group's sustainability reporting in compliance with the recommendations of the GRI Guidelines and the Financial Services Sector Supplement. The Group's GRI report also meets the reporting obligations related to the UN Global Compact and the promotion of human rights, labour, environmental and anti-corruption policies in OP-Pohjola's business. The GRI Content Index shows which indicators have been used to describe the implementation of the Global Compact's ten principles. OP-Pohjola will continue to develop its sustainability reporting as an integral part of the Group's annual reporting.

Reporting Principles

OP-Pohjola Group's Corporate Social Responsibility Report includes the data for 2012, in accordance with the Group's structure and financial reporting principles. The report is divided into three parts.

Corporate Social Responsibility at OP-Pohjola Group explores corporate responsibility from the perspective of business and strategy. It defines the fundamental elements of OP-Pohjola Group's corporate responsibility and introduces the focus areas, measures and management of the Group's Corporate Social Responsibility Programme. Corporate Social Responsibility Themes gives a more detailed presentation of the content, measures and objectives, as well as key performance indicators, of the focus areas of OP-Pohjola's corporate responsibility. These focus areas have been selected on the basis of the materiality principle. The CSR themes are built around the responsibility aspects identified as most material to OP-Pohjola Group's operations. GRI Corporate Responsibility Data presents the GRI performance indicators regarded as most significant on the basis of the materiality analysis. The GRI indicators include the most material economic, social and environmental indicators, as well as indicators from the GRI Financial Services Sector Supplement related to product and service responsibility.

Definition of Materiality

OP-Pohjola conducted a CSR materiality assessment in 2011, to identify the responsibility expectations of stakeholders and to analyse their impact on business operations. In this assessment, stakeholders evaluated the materiality of general CSR aspects to OP-Pohjola's operations. This online survey was answered by representatives of private and corporate customers, administration, personnel and other external stakeholders. There were 408 responses. In the survey, CSR was subdivided into four aspects: the role OP-Pohjola plays in the Finnish society; responsible products and services; responsibility for stakeholders; and environmental responsibility.

On the basis of the stakeholders' responses, the most important aspects to take into account in OP-Pohjola's CSR are customer data confidentiality and privacy protection, employee skills development, the Group's capital adequacy, and transparency and clarity

of communications. Other CSR aspects deemed material to the Group's operations were responsible marketing, a fair remuneration policy, moderate risk-taking and skilful risk management, a reliable financial infrastructure, continuous improvement of electronic banking and insurance services, and assessing the responsibility of investment vehicles.

Stakeholder representatives were also asked to provide their views on OP-Pohjola's corporate social responsibility. More than 500 free-form responses were received, demonstrating stakeholders' keen interest in the subject. The responses emphasised elements including local responsibility, the natural integration of responsibility into cooperative activities and the opportunity for being pioneers in the industry. The respondents also called for more concrete actions and proof of outcomes.

The results of the assessment support the Group's approach, in which CSR is developed as an integral part of business operations. The results were used in the formulation of the new strategy and the OP-Pohjola CSR Programme.

Bases for calculations

OP-Pohjola Group's sustainability reporting is mainly performed within the same boundaries as the Group's financial reporting. Economic and social indicators, as well as the KPIs of the CSR Programme, and GRI indicators related to products and services, were calculated and are presented in accordance with the accounting principles. The boundary applied to environmental responsibility data is different, as these data are based on information from the Group's facilities management services. Any deviations or limitations in the boundary are reported next to the applicable data. Numerical data are 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.

Bases for calculations of the CSR Programme KPIs

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. These figures were obtained from OP-Pohjola Group's 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 2012 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 December 2012. 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 2012,

the survey applied to 4,455 employees from OP-Pohjola Group Central Cooperative Consolidated and 4,616 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 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 using a continuous tracking study. In the survey, respondents grade their likelihood of recommending 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 figure is an average of the scores for banking and insurance services. The survey was filled in by 10,242 private customers in 2012.

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 figure is an average of the scores for banking and insurance services. Responses were received from 1,297 SMEs in 2012.

Our carbon footprint 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. The calculations do not include the employees working in the Baltic offices.

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 (EC1, EC3 and EC6)

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

The share of Finnish suppliers and service providers has been estimated on the basis of data on the 100 largest providers. The figures do not include the Baltic functions.

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.

Workforce structure (LA1, LA2 and LA13)

The number of employees is reported for the entire OP-Pohjola Group, broken down by employment type, employment contract, gender and age.

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.

Employee turnover is reported for the entire Group. These figures do not include internal turnover, i.e. employees who have transferred from one position to another within the Group.

Skills development (LA10 and LA12)

The figure for training expenses out of total payroll does not include the Seesam insurance companies. All employees of OP-Pohjola Group, including management and employees in the Baltic countries, are involved in regular performance and career development reviews. The number of those who had reviews during the year was extrapolated from the responses to the employee survey. Employees who joined the Group after the period covered by the previous performance and career development reviews were excluded from the calculations.

Employee well-being (LA7)

The proportion of sickness absences is given in relation to regular annual working hours. The figure does not include the Baltic subsidiaries.

Environmental Reporting

Energy and climate (EN4 and EN16)

OP-Pohjola's carbon footprint was calculated in accordance with the Greenhouse Gas Protocol guidelines developed by the World Resources Institute and the World Business Council for Sustainable Development, which is the best available tool for calculating the carbon footprint of an organisation.

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 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, life-cycle emissions of paper consumption.

The following were left out of calculations: 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. No data were available on these excluded activities, which fall under Scope 3, within the time frame reserved for calculations. In addition, sufficient emissions factor data were unavailable for the consumption of materials other than paper.

Energy consumption is reported for OP-Pohjola Group's largest properties in Helsinki (Teollisuuskatu, Vääksyentie, Lapinmäentie and Hiomotie), as accurate electricity consumption data is available for these.

OP-Pohjola group's carbon footprint for year 2012 cannot be compared with calculations for previous years as two new properties (Elimäenkatu 5 and Elimäenkatu 15) in Vallila have been added to the calculations for 2012.

Materials (EN1) and waste (EN22)

The materials reported include office paper consumed by OP-Pohjola Group Central Cooperative Consolidated and an estimate of office paper used by member banks in proportion to their number of employees. The waste recovery rate is reported for OP-Pohjola Group Central Cooperative Consolidated.

The accuracy of the reported corporate responsibility data was ensured by the providers of the data and those in charge of reporting. In the future, OP-Pohjola will improve the scope of reporting, as well as data collection and internal quality assurance practices.

GRI Application Level

According to OP-Pohjola's own estimate, the Group's CSR Report corresponds to GRI Application Level A. 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.

GRI Content

Fully reported
 Partly reported
 Not reported

	GRI Content	Page	Status	Explanation	Global Compact
1	Strategy and analysis				
1.1	Statement from the CEO	2	<input type="radio"/>		x
1.2	Description of key impacts, risks and opportunities	6–7	<input type="radio"/>		x
2	Organisational profile				
2.1	Name of the organisation	3–4	<input type="radio"/>		
2.2	Primary brands, products and/or services	3–4	<input type="radio"/>		
2.3	Operational structure of the organisation	3–4	<input type="radio"/>		
2.4	Location of headquarters	3–4	<input type="radio"/>		
2.5	Countries in which the organisation's operations are located	3–4	<input type="radio"/>		
2.6	Nature of ownership and legal form	3–4	<input type="radio"/>		
2.7	Markets served	3–4	<input type="radio"/>		
2.8	Scale of the reporting organisation		<input type="radio"/>	www.op.fi > OP-Pohjola Group Annual Report 2012 > Year 2012 > Key figures	
2.9	Significant changes during the reporting		<input type="radio"/>	www.op.fi > OP-Pohjola Group Annual Report 2012 > Year 2012 > Highlights 2012	
2.10	Awards received during the reporting period		<input type="radio"/>		
3	Report parameters				
	Report profile				
3.1	Reporting period	42	<input type="radio"/>		
3.2	Date of the most recent report	42	<input type="radio"/>		
3.3	Reporting cycle	42	<input type="radio"/>		
3.4	Contact point for questions	56	<input type="radio"/>		
	Report scope and boundary				
3.5	Process for defining report content	7–11	<input type="radio"/>		
3.6	Boundary of the report	42–43	<input type="radio"/>		
3.7	Specific limitations on the scope or boundary	42–43	<input type="radio"/>		

	GRI Content	Page	Status	Explanation	Global Compact
3.8	Basis for reporting on joint ventures, subsidiaries etc.	42–43	○		
3.9	Data measurement techniques	42–43	○		
3.10	Explanations of the effect of any restatements of information	42–43	○		
3.11	Significant changes in the scope, boundary, or measurement methods applied	42–43	○		
	GRI content index				
3.12	GRI content index	46–54	○		
	Assurance				
3.13	Policy and practice with regard to external assurance	42–43	○		
4	Governance, commitments and engagement				
	Governance				
4.1	Governance structure	8–9	○		
4.2	Position of the chair of the Board of Directors	8–9	○		
4.3	Independent, non-executive directors on the Board of Directors	8–9	○		
4.4	Mechanisms for shareholders and employees to provide recommendations to the Board of Directors	8–9	○		
4.5	Executive compensation	8–9	○		
4.6	Avoiding conflicts of interest	8–9	○		
4.7	Determining the qualifications and expertise Board members need for guiding strategy on sustainability	8–9	○		
4.8	Mission or values statements, codes of conduct, sustainability principles	8–9	○	www.op.fi > OP-Pohjola Group Annual Report 2012 > Year 2012 > Strategy > Core Values	x
4.9	Board-level procedures overseeing sustainability performance	8–9	○		
4.10	Evaluating Board performance with respect to sustainability performance	8–9	○		
	Commitments to external initiatives				
4.11	Addressing the precautionary approach or principle	12	○		x
4.12	External charters, principles or initiatives endorsed	12	○		x
4.13	Memberships in associations	19–20	○		x

	GRI Content	Page	Status	Explanation	Global Compact
	Stakeholder engagement				
4.14	List of stakeholder groups engaged	10–11	○		x
4.15	Identification and selection of stakeholders	10–11	○		x
4.16	Approaches to stakeholder engagement	10–11	○		x
4.17	Responding to key topics and concerns resulting from stakeholder engagements	7–8	○		x
	Financial indicators (FS)				
	Management approach to financial responsibility	8–10, 19–22			
FS1	Policies with specific environmental and social components applied to business lines	19–22	○		
FS2	Procedures for assessing and screening environmental and social risks in business lines	19–22	○		
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	19–22	○		
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	9, 23	○		
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	19–22	○		
	Product portfolio				
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	30	○		
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	30	○	Responsible products and services that benefit society	
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	19–20, 30	○		
	Audit				
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	31	○		
	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	19–20	○		
FS11	Percentage of assets subject to positive and negative environmental or social screening	20	○	Positive screening	
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to voting shares or advises on voting	19–20	○		

	GRI Content	Page	Status	Explanation	Global Compact
	Economic indicators (EC)				
	Management approach to economic responsibility	8–10, 32–33	●		1, 4, 6, 7
	Economic performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	32–33	●		
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	6, 22	●		7
EC3	Coverage of the organisation's defined benefit plan obligations	33	●	OP-Pohjola Group's Financial Statements Note 39	
EC4	Significant financial assistance received from government	33	●		
	Markets				
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation		○	Not significant as an aspect of CSR for OP-Pohjola	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operations		○	Not significant as an aspect of CSR for OP-Pohjola	6
	Indirect economic impacts				
EC8	Development and impacts of infrastructure investments and services provided primarily for public benefit	14–15	◐	Local projects and investments in a better system of payment services in Finland	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	33	●		
	Environmental indicators (EN)				
	Management approach to environmental responsibility	8–10, 24–25	●		7, 8, 9
	Materials				
EN1	Materials used by weight or volume	25, 35	●		8
EN2	Recycled materials used	25, 35	◐	Recycled fibre paper is not used, recycled materials in the Vallila 2015 project	8, 9

	GRI Content	Page	Status	Explanation	Global Compact
	Energy				
EN3	Direct energy consumption	33–34	●		8
EN4	Indirect energy consumption	33–34	●		8
	Water				
EN8	Total water withdrawal		○	Not significant as an aspect of CSR for OP-Pohjola	8
	Environmental indicators (EN)				
EN11	Management approach to environmental responsibility	34	○	OP-Pohjola Group owns land areas, but there is no comprehensive data on their protection status	8
EN12	Description of significant impact of activities, products and services on biodiversity	34	◐	The finance industry has no significant effects on biodiversity	8
	Emissions and waste				
EN16	Total direct and indirect greenhouse gas emissions	24, 33–34	●		8
EN17	Other relevant indirect greenhouse gas emissions	24, 33–34	●		8
EN19	Emissions of ozone-depleting substances		○	Not significant as an aspect of CSR for OP-Pohjola	8
EN20	NO _x , SO _x , and other significant air emissions		○	Not significant as an aspect of CSR for OP-Pohjola	8
EN21	Total water discharge		○	Not significant as an aspect of CSR for OP-Pohjola	8
EN22	Total amount of waste	35	●		8
EN23	Significant spills		○	Not significant as an aspect of CSR for OP-Pohjola	8
	Products and services				
EN26	Mitigating environmental impacts of products and services	19–21, 35–36	●		7, 8, 9
EN27	Reclaimable products and reuse		○	Not applicable	8, 9

	GRI Content	Page	Status	Explanation	Global Compact
	Compliance				
EN28	Significant fines and sanctions for non-compliance with environmental regulations	41	●		8
	Social indicators				
	Management approach to social responsibility	8–10, 16–18	●		1, 2, 3, 4, 5, 6
	Labour practices and decent work (LA)				1, 3, 6
	Employment				
LA1	Breakdown of workforce	36–37	●		
LA2	Breakdown of employee turnover	36–37	○	Workforce structure. Owing to insufficient information available, staff turnover has not been reported by gender, age or region.	6
	Labor/Management relations				
LA4	Coverage of collective bargaining agreements	39	●		1, 3
LA5	Minimum notice period regarding operational changes	39	●		3
	Occupational health and safety				
LA7	Injuries, lost days, absentee rates and fatalities	40	○	Sickness absences	1
LA8	Education and prevention programmes regarding serious diseases	40	●		1
	Training and education				
LA10	Average hours of training per year per employees	39	○	Average training expenses	
LA12	Employees receiving performance and career development reviews	39–40	●		
	Diversity and equal opportunity				
LA13	Composition of governance bodies and employee breakdown	38	●		1, 6
LA14	Ratio of basic salary of men to women by employee category	40	○	A pay survey is an obligatory part of the equality plan, ratio not disclosed	1, 6

	GRI Content	Page	Status	Explanation	Global Compact
	Human rights (HR)				1, 2, 3, 4, 5, 6
	Investment agreements that include human rights clauses				
HR1	Investment agreements that include human rights clauses		○	Not significant as an aspect of CSR for OP-Pohjola. Approach towards evaluation of investment and financing decisions described in 'Responsible Products and Services'.	1, 2, 3, 4, 5, 6
HR2	Suppliers and contractors that have undergone human rights screening	40	◐	Included in supplier management risk assessment and, if necessary, in procurement contracts	1, 2, 3, 4, 5, 6
HR3	Employee training on human rights	41	◐	Training in good business practices	1, 2, 3, 4, 5, 6
	Non-discrimination				
HR4	Incidents of discrimination and actions taken	41	●	No cases	1, 2, 6
	Freedom of association and collective bargaining				
HR5	Supporting right to freedom of association and collective bargaining in risk areas		○	Not significant as an aspect of CSR for OP-Pohjola. Recognition and management of human rights risks are part of the Group's risk management, compliance operations and stakeholder engagement. Included in compliance with Global Compact.	1, 2, 3
	Child labor				
HR6	Measures taken to eliminate child labour in risk areas		○	Not significant as an aspect of CSR for OP-Pohjola. Recognition and management of human rights risks are part of the Group's risk management, compliance operations and stakeholder engagement. Included in compliance with Global Compact	1, 2, 5

	GRI Content	Page	Status	Explanation	Global Compact
	Forced and compulsory labor				
HR7	Measures taken to eliminate forced labour in risk areas		○	Not significant as an aspect of CSR for OP-Pohjola. Recognition and management of human rights risks are part of the Group's risk management, compliance operations and stakeholder engagement. Included in compliance with Global Compact	1, 2, 4
	Society (S0)				10
	Community				
S01	Managing impacts of operations on communities	15	●	Local Projects	
FS13	Access point in low-populated or economically disadvantaged areas	41–42	●		
FS14	Initiatives to improve access to financial services for disadvantaged people	42	●		
	Anti-corruption				
S02	Business units analysed for corruption risks	41	◐	Percentage and number of analysis not reported. Data not available.	10
S03	Anti-corruption training	23, 41	◐	Training to prevent misconduct and fraud. Training in Code of Business Ethics.	10
S04	Actions taken in response to incidents of corruption	41	●	No cases	1–10
	Public policy	11			
S05	Public policy positions and participation in public policy development and lobbying	42	●		
	Compliance				
S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices with laws and regulations		●	No cases	
S08	Fines and sanctions for non-compliance with laws and regulations	42	●		

	GRI Content	Page	Status	Explanation	Global Compact
	Product responsibility (PR)				
	Management approach to product responsibility	8–10, 42			1, 8
	Customer health and safety				
PR1	Assessment of health and safety impacts of products		○	Not significant as an aspect of CSR for OP-Pohjola	1
	Product and service labeling				
PR3	Type of product and service information required by procedures	21, 23	●	Responsible Marketing and Financing for Private Customers	8
PR5	Results related to customer satisfaction, including results of surveys	22–23	●		
FS15	Policies for the fair design and sale of financial products and services	20, 23, 42	●		
FS16	Results related to customer satisfaction, including results of surveys	15–16, 32	●		
	Marketing communication				
PR6	Adherence to marketing communications laws, standards and voluntary codes	23, 42	●		
	Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	9, 23	◐	Handling of customer feedback	1
	Compliance				
PR9	Fines for non-compliance concerning the provision and use of products and services		●	No cases	



Statement GRI Application Level Check

GRI hereby states that **OP-Pohjola Group** has presented its report "OP-Pohjola Group Corporate Social Responsibility Report 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 5 March 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 20 February 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

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