



OP Corporate Bank plc Green Bond Framework

Debt Investor Presentation 2024

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[OP Green Bonds](#)

[ESG for Debt Investors](#)

[CFO Results Overview](#)

[OP Financial Group's reports](#)

[Credit ratings](#)

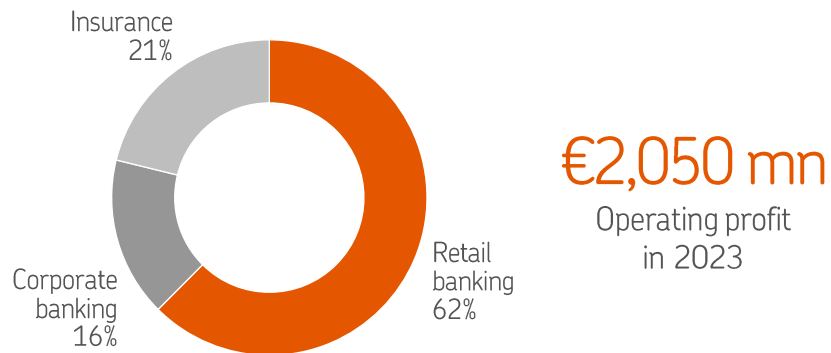
Agenda

1. OP Financial Group
2. Sustainability at OP
3. Renewed Green Bond Framework



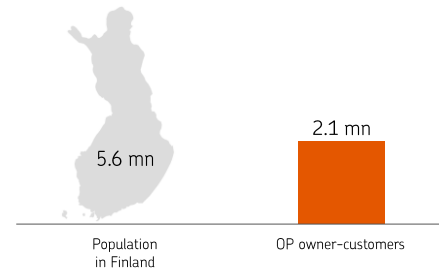
OP Financial Group

OP Financial Group in brief



19.2%
CET1 ratio

€160 bn
Total assets



Leading market shares

Loans	Deposits	Non-life Insurance	Life Insurance
34%	38%	33%	20%

Source: Bank of Finland (Loans and Deposits 6/2023), Finance Finland (Non-life & Life Insurance 12/2022)

Joint liability

Central institution, OP Cooperative, and the member credit institutions (incl. both issuing entities) of the amalgamation are jointly liable for each others' debts and commitments, by virtue of the Finnish law.

Strong credit ratings

Moody's Aa3
S&P AA-

OP Corporate Bank plc

Moody's Aaa
S&P* AAA

OP Mortgage Bank's covered bonds

* EMTCN programme

Sustainability at OP

OP Financial Group's sustainability programme

We build a sustainable tomorrow together



Climate and the environment

Offering sustainable financing and investment products to our customers

Decreasing emissions across our loan and investment portfolios

Promoting the circular economy in our business and that of our customers

Becoming carbon neutral by 2025

Promoting biodiversity and the wellbeing of nature



People and communities

Fostering a diverse, inclusive and non-discriminatory culture

Promoting the wellbeing of our local communities

Supporting the management of personal finances and improve financial literacy

Helping customers with special needs to manage their finances

Identifying the impact of our operations on human rights



Corporate governance

Integrating sustainability with all our business operations and risk-taking

Using data and artificial intelligence responsibly

Requiring our partners to commit to our Supplier Code of Conduct

Increasing diversity in our governing bodies

Further improving the sustainability competencies of our personnel

Climate targets aligned with the Paris Agreement



- › OP will become carbon neutral in its operational emissions (Scope 1 & 2)



- › In corporate loan portfolio 25% reduction of emissions compared to 2022
- › OP's funds will halve their greenhouse gas emissions compared to 2019

Sector-specific targets from 2022 levels

- › In energy production: 50% reduction of emissions intensity
- › In agriculture: 30% reduction of absolute emissions
- › In home loans: 45% reduction of emissions intensity



- › Carbon neutral corporate loan portfolios
- › Carbon neutral funds managed by OP Asset Management Ltd and OP Fund Management Company Ltd

OP is highly committed to sustainability



PRINCIPLES FOR
RESPONSIBLE
BANKING



Principles for
Sustainable Insurance



An investor initiative in partnership
with UNEP Finance Initiative and
the UN Global Compact

WE SUPPORT



DRIVING SUSTAINABLE ECONOMIES



BETTER POLICIES FOR BETTER LIVES



Partnership for
Carbon Accounting
Financials



Partnership for
Biodiversity Accounting
Financials



> Commitments


Carbon Disclosure Project (CDP)
ILO Declaration on Fundamental Principles and Rights at Work
Net Zero Asset Managers
Paris Agreement
Partnership for Biodiversity Accounting Financials (PBAF)
Partnership for Carbon Accounting Financials (PCAF)
Task Force on Climate-related Financial Disclosures (TCFD)
The Montreal Pledge
UN Principles of Responsible Banking
UN Principles of Sustainable Insurance
UN Principles of Responsible Investment
UN Global Compact
WWF Green Office

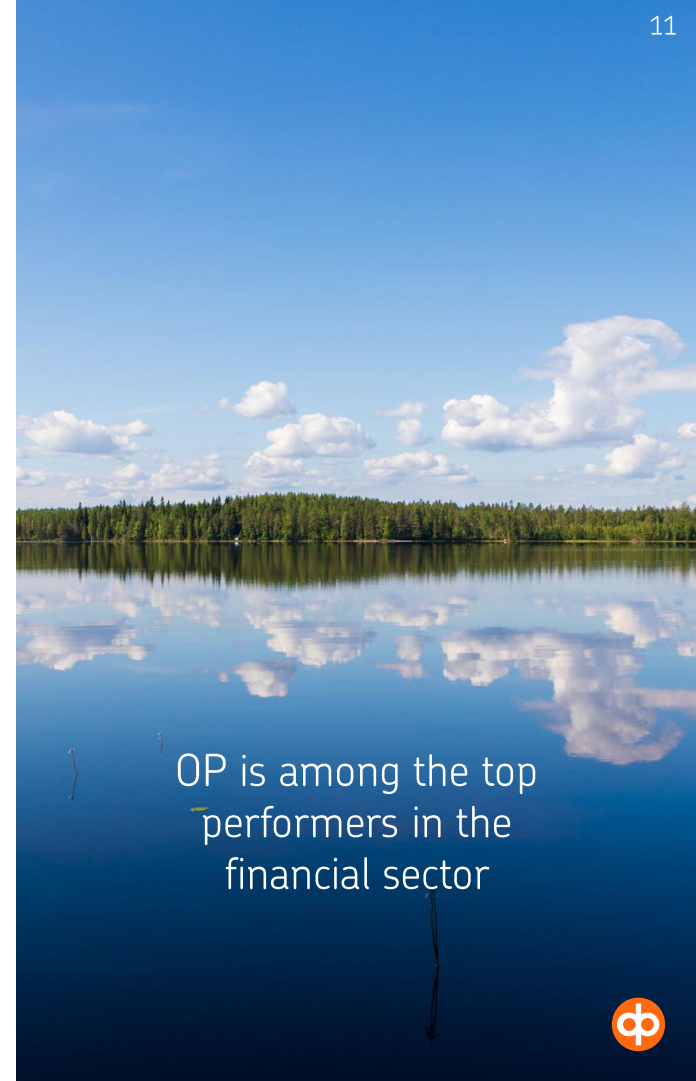
> Collaborative networks

European Association of Co-operative banks
FIBS
Finance Finland
Finland's Sustainable Investment Forum
The International Capital Market Association

> More [Commitments and policies](#)

ESG Ratings

Rating agency	Rating	Rating scale
MSCI 	AA	CCC to AAA
 SUSTAINALYTICS	13.1 (low risk)	100 to 0 (severe to negligible risk)
ISS ESG 	C	D- to A+
 CDP <small>DISCLOSURE INSIGHT ACTION</small>	B	D- to A



OP is among the top performers in the financial sector

OP's Green issuances

> OP Corporate Bank's Green Bonds

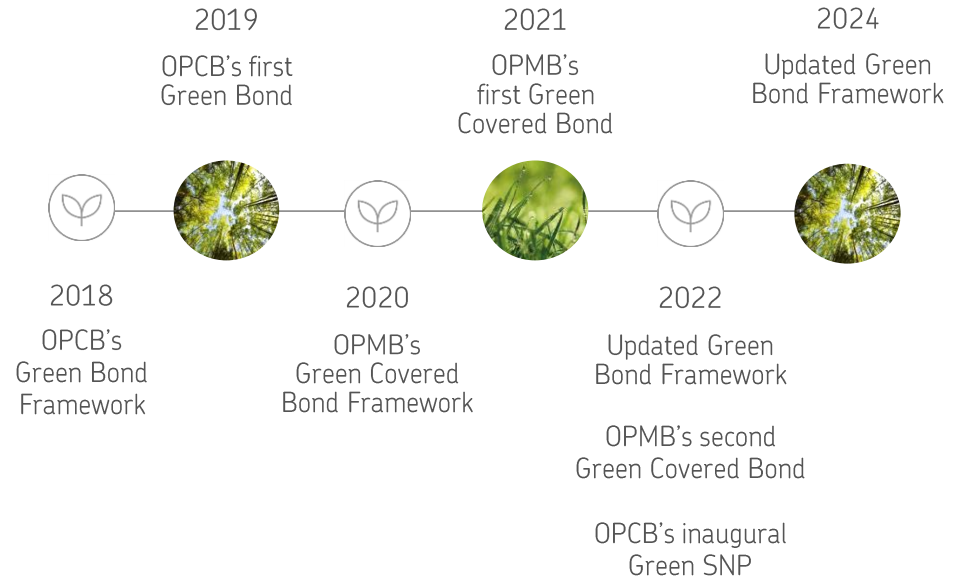
Green SNP 2022, €500 million

Green SP 2019, €500 million (matured)

> OP Mortgage Bank's Green Covered Bonds

Green Covered Bond 2022, €1 billion

Green Covered Bond 2021, €750 million



Renewed Green Bond Framework

Renewed Green Bond Framework 2024

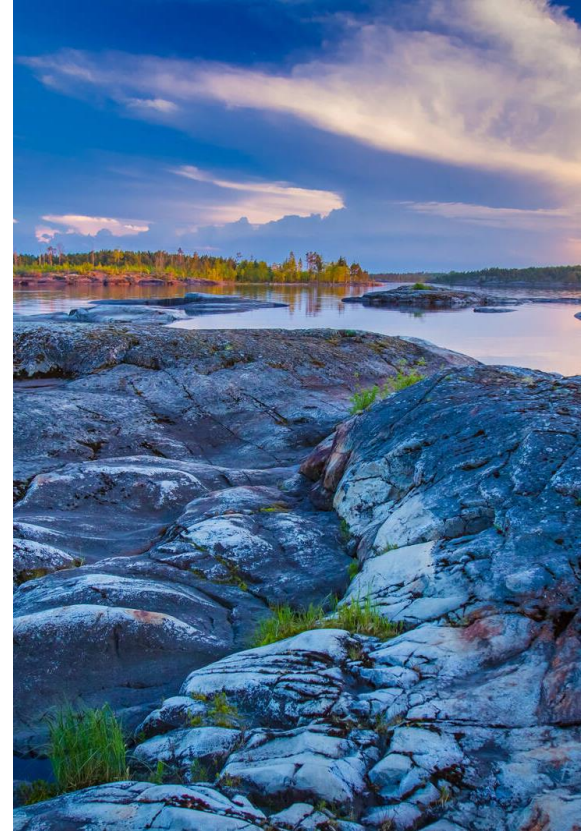
Use of proceeds	Project evaluation and selection	Management of proceeds	Reporting	External Review and Verification
<ol style="list-style-type: none"> 1. Renewable energy 2. Energy efficiency 3. Green buildings 4. Pollution prevention and control 5. Circular economy 6. Clean transportation 7. Sustainable management of living natural resources 8. Climate change adaptation 	<ul style="list-style-type: none"> • Conventional credit process and ESG analysis as a part of it. • Proceeds may be used for financing of general corporate purposes to dedicated businesses ("pure players") meeting specific eligibility criteria. • Exclusion Criteria: The proceeds are not allocated to projects or assets dedicated to weapons and ammunition, nuclear or fossil-fuel energy generation, gambling and casinos, or any other identified high-risk projects or assets defined in internal policies. 	<ul style="list-style-type: none"> • Green Bond Register is supervised and reviewed quarterly. • Grandfathering: The Eligible Assets selected under the previous Green Bond Framework that have successfully gone through the evaluation steps will not be affected by the changes in this Framework. • New financing and re-financing will always be evaluated in accordance with the latest Green Bond Framework. • OP intends to maintain an aggregate amount of assets in the Green Bond Register that is at least equal to the aggregate net proceeds of all outstanding Green Bonds. 	<ul style="list-style-type: none"> • Green Bond Report will be published annually including both the allocation of the net proceeds of the Green Bonds' and the estimated environmental impacts of the Green Bonds' as per each Eligible Sector. 	<ul style="list-style-type: none"> • Sustainalytics' Second Party Opinion (Framework) • Limited assurance report by an external auditor (Annual reporting)



Assets eligible to the Green Bond Framework

1. EU Taxonomy criteria: fulfil the latest criteria for Substantial Contribution Criteria to eligible economic activities, as outlined in the EU Taxonomy, which may be subject to amendments, supplements, or replacements.
2. Internal criteria: based on the best sector market practices

- In certain instances, the EU Taxonomy Substantial Contribution Criteria are further tightened as elaborated in the Second Party Opinion.
- OP Corporate Bank may consider any other activity that aligns with the EU Taxonomy Substantial Contribution Criteria, including its latest amendments specified in the Delegated Acts of the EU Taxonomy, when deemed applicable and approved through internal assessment, and considering the Framework's exclusion criteria.



OP Green Bond Framework to fund and support green lending at OP Corporate Bank

	Eligible EU taxonomy criteria	Internal criteria
Renewable energy	<ul style="list-style-type: none"> Hydrogen & hydrogen-based synthetic fuels 3.2. & 3.10. Solar power 4.1. & 4.2. Wind power 4.3. Ocean power 4.4. New hydropower plants 4.5. Geothermal energy 4.6., 4.11. & 4.22. Bioenergy 4.8., 4.13., 4.20., 4.23. & 4.24. Waste heat 4.25. Capture of CO₂ 9.2. 	<ul style="list-style-type: none"> Green hydrogen produced by electrolysis powered by renewables Existing hydropower plants refurbishment or refinancing, if the water reservoir size does not increase Geothermal energy, where life-cycle emissions are lower than 100gCO₂e/kWh
Energy efficiency	<ul style="list-style-type: none"> Manufacture of batteries 3.4. Storage of electricity 4.10. Storage of hydrogen 4.12. Equipment and renewables technologies 3.5., 7.3. & 7.6. 	<ul style="list-style-type: none"> Electric heat pumps, where GWP does not exceed 675 Transmission of energy, including smart grids and system grids Manufacture of green steel and iron with green hydrogen
Green buildings	<ul style="list-style-type: none"> Building construction 7.1. Building renovation 7.2. Building acquisition and ownership 7.7. 	<ul style="list-style-type: none"> Acquisition with following certificates: LEED "gold", BREEAM "very good" with a minimum score of 70% in the Energy section or better, the Nordic Swan Ecolabel, EDGE, RTS "3 stars" or better Construction and renovation with following certificates: LEED "platinum" or better for new construction, LEED "gold" or better for renovation, BREEAM "excellent" or better, the Nordic Swan Ecolabel, EDGE, RTS "3 stars" or better for new construction, RTS "4 stars" or better for renovation

Available at OP
Green Bonds
website!

OP Green Bond Framework to fund and support green lending at OP Corporate Bank

	Eligible EU taxonomy criteria	Internal criteria
Pollution prevention and control	<ul style="list-style-type: none"> • Water collection, treatment and supply systems 5.1. • Wastewater collection and treatment 5.3. • Material recovery 5.9. 	<ul style="list-style-type: none"> • Pollution prevention and control including reduction of air emissions, GHG control and soil remediation
Circular economy	<ul style="list-style-type: none"> • Sale of second-hand goods 5.4. • Product-as-a-service and circular service models 5.5. • Marketplace for second-hand goods trade 5.6. 	<ul style="list-style-type: none"> • Technologies and processes reducing virgin raw material use and increasing secondary material use • Lengthening life cycle of products
Clean transportation	<ul style="list-style-type: none"> • Rail transportation 6.1. & 6.2. • Road transportation 6.3., 6.5. & 6.6. • Sea and coastal water transportation 6.10. & 6.11. • Clean transportation infrastructure 6.14., 6.15. & 7.4. 	
Sustainable management of living natural resources		<ul style="list-style-type: none"> • Biodiversity protection, maintenance and landscape conservation and restoration of supporting ecosystems • Sustainable forestry with FSC or PEFC certifications • Sustainable, regenerative and organic farming • Production of alternative proteins
Climate change adaptation		<ul style="list-style-type: none"> • Infrastructure observation systems • Infrastructure resilience

Available at OP
Green Bonds
[website!](#)

Process for project evaluation and selection

The Eligible Assets are subject to both the conventional OP credit process and the Green Bond Committee's Green Bond evaluation and selection process, which are complementary.

Conventional Credit process

- Compliance with local laws and regulations, including any applicable regulatory environmental and social requirements,
- Know-your-customer assessment,
- Credit risk analysis,
- Validation by risk management,
- Credit decision according to OP's Credit Policy.

ESG analysis as a part of conventional credit process

- ESG analysis in accordance with the European Banking Authority's guidelines on loan origination and monitoring.
- All corporate clients are classified based on their exposure to ESG factors.
- All new significant financing is analyzed according to a specific process.

Green Bond process

1. Initial screening of existing or new financing to be included in the Green Bond Register.
2. Exclusion of projects or assets that are not eligible for the Green Bond Register.
3. Assessment of each financing, as well as the rationale for potential selection in the Green Bond Register.
4. Proposal for the Green Bond Register.
5. Approval by the inclusion or exclusion of assets by the Green Bond Committee.
6. Management and monitoring the compliance of eligible assets with the eligibility criteria and exclusion criteria.

Green Bond Committee

- OP has established a dedicated Green Bond Committee with responsibility for governing and monitoring the OP Corporate Bank's Green Bond Framework.

The Green Bond Committee comprises of at least:

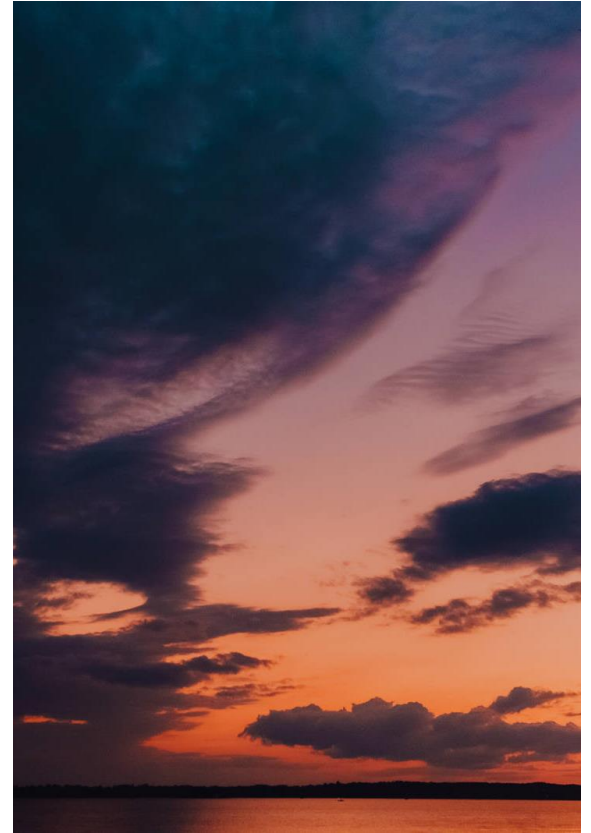
- an OP Financial Group's Executive Board Member (Chairman)
- as well as Senior management representatives from:
- Finance and Group Treasury
 - Corporate Sustainability
 - Banking, Corporate and Institutional Customers business segment
 - Risk Management

Management of proceeds

- OP manages the Green Bond Register on a portfolio basis for tracking the Eligible Assets and the allocation of the net proceeds. OP's business units supported by sustainability experts supervise and review the assets in the Green Bond Register quarterly.
- All potential changes to the Green Bond Register are presented quarterly to the Green Bond Committee that will approve them.
- OP intends to maintain an aggregate amount of assets in the Green Bond Register that is at least equal to the aggregate net proceeds of all outstanding Green Bonds.
- Unallocated proceeds will temporarily be held in accordance with OP's conventional liquidity management policy and will not be invested in carbon intensive activities or in controversial activities.

New elements from the updated Framework

- Grandfathering: Changes in the Eligibility Criteria under this Framework from the Green Bond Framework dated 2022 will not affect the treatment of Eligible Assets retroactively.
- OP intends to reach full allocation within 24 months after the issuance of each bond.



Green Bond reporting KPIs

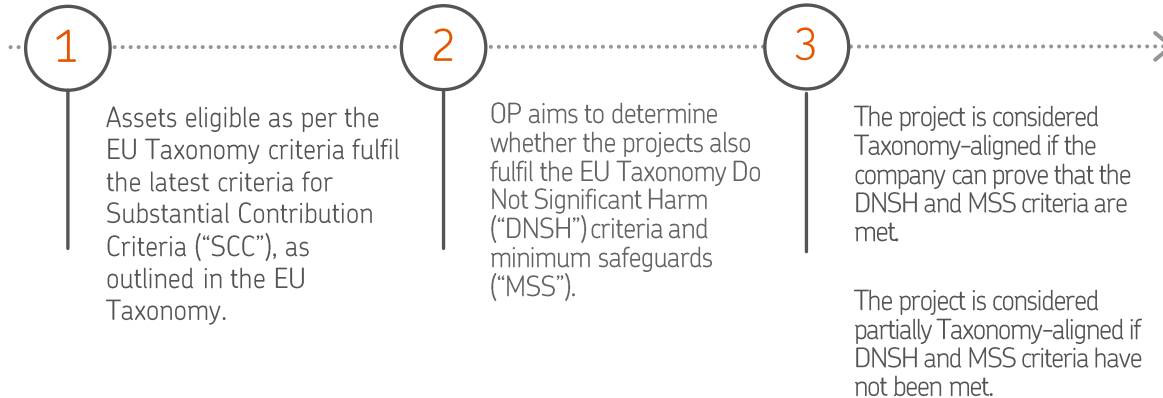
Green Bond report

Allocation reporting	<p>The annual reporting on the allocation of the net proceeds will include:</p> <ul style="list-style-type: none"> • The aggregated amount of net proceeds allocated to each of the Eligible Sector on portfolio basis • the origination timeframe and maturity profile of the portfolio • The remaining balance of net proceeds which have not yet been allocated to Eligible Assets • EU Taxonomy alignment of green loans on best effort basis (subject to data availability) <p>OP will also report the amount of the outstanding Green Bonds at the end of the reporting period.</p>
Impact reporting	<ul style="list-style-type: none"> • Includes a description of the applied methodology and assumptions made to calculate the impacts. • Information on the environmental impacts of the Green Bonds for each Eligible Sector, where feasible. • Estimates regarding their expected future environmental performance on projects that are not yet operational. • The most prioritized indicator is GHG emissions reduced/avoided annually (tCO2e).

Categories	Selected examples of output and impact indicators
Renewable energy	<ul style="list-style-type: none"> • Annual renewable energy generation in MWh (electricity) and GJ/TJ (other energy) • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent/a
Energy Efficiency	<ul style="list-style-type: none"> • Storage capacity (MWh) • Transmission distance, km
Green Buildings	<ul style="list-style-type: none"> • Type of certification scheme, certification level and m2 of gross building area
Pollution Prevention & Control (incl. Sustainable Water Management)	<ul style="list-style-type: none"> • Annual absolute (gross) amount of wastewater treated, reused or avoided in m3 annually
Circular Economy	<ul style="list-style-type: none"> • Circular material use rate (CMU)
Clean Transportation	<ul style="list-style-type: none"> • Quantity (number) of zero tailpipe vehicles financed annually • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent/a
Biodiversity Conservation & Environmentally Sustainable Management of Living Natural Resources & Land Use	<ul style="list-style-type: none"> • Total land area under sustainably certified forests in ha • Maintenance/safeguarding/increase of protected area/OECM/habitat in km² and in % for increase
Climate Change Adaptation	<ul style="list-style-type: none"> • Reduction in flood damage costs, unit valorised (euros)

Reporting the EU Taxonomy alignment

The OP Green Bond Framework includes Taxonomy-aligned and partially Taxonomy-aligned projects.



Second Party Opinion by Sustainalytics

SUMMARY OF SECOND PARTY OPINION

Alignment with ICMA GBP

Use of Proceeds

- The eight eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles
- Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 2, 6, 7, 9, 11, 12, 14 and 15

Process for Evaluation & Selection

Sustainalytics considers the project selection process to be in line with market practice

Management of Proceeds

Sustainalytics considers the process for management of proceeds to be in line with market practice

Reporting

Sustainalytics views OP Corporate Bank's allocation and impact reporting as aligned with market practice

” Sustainalytics is confident that OP Corporate Bank is well positioned to issue green bonds and that the OP Corporate Bank plc Green Bond Framework is **robust, transparent and in alignment** with the four core components of the Green Bond Principles 2021

Link to sustainability strategy

Sustainalytics believes that the OP Corporate Bank plc Green Bond Framework is aligned with the overall sustainability strategy of the Bank

Management of ESG risks

Sustainalytics is of the opinion that OP Corporate Bank has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects



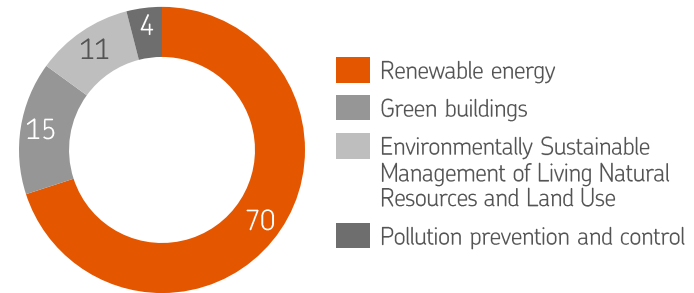
Appendix

OP Corporate Bank's Green Bonds

Green Bond Framework (2022)

Use of proceeds	<ol style="list-style-type: none"> 1. Renewable Energy 2. Transmission of Energy 3. Energy Efficiency 4. Green Buildings 5. Pollution Prevention and Control 6. Environmentally Sustainable Management of Living Natural Resources and Land Use 7. Clean Transportation
Project evaluation and selection	Conventional credit process and green bond process in accordance with the eligibility criteria. Proceeds may be used for financing of general corporate purposes to dedicated businesses ("pure players") meeting specific eligibility criteria
Management of proceeds	Green Bond Register is monitored on a monthly basis. Internal reporting to Green Bond Committee quarterly.
Reporting	Annual Green Bond Report published on OP's website
External review and verification	Sustainalytics' Second Party Opinion Limited assurance report by an external auditor

OP Green Bond Allocation, YE2022 *



” Eligible assets included in the Green Bond register (YE2022) totaled at €1,630 mn including reserve of unallocated green assets €630 mn



Examples of businesses and projects financed: Lakiakangas III



Lakiakangas III wind farm is now operational

Lakiakangas III Wind Farm is an 86 MW onshore wind power project located in Southern Ostrobothnia, Finland. The wind farm is developed and owned by CPC Finland and Helen. Helen's ownership stake in the project stands at 60% and CPC Finland's at 40% respectively. The project construction commenced in 2020 and subsequently entered into commercial operation in spring 2022. The Lakiakangas III wind farm consists of 20 wind turbines provided by Vestas Wind Systems.

The power generated from the Lakiakangas III wind farm is sold to Helen under a power purchase agreement with a contracted capacity of 86 MW. Wind power is at the core of Helen's climate strategy with the aim to achieve carbon neutral energy production by 2030.

With the completion of Lakiakangas III wind farm Helen now produces approximately 350 GWh of wind power annually which corresponds to about 8% of the electricity consumed in Helsinki.

OP Corporate Bank's total eligible signed loans in the Lakiakangas III wind farm amount up to approximately 65 million euros.

Examples of businesses and projects financed: Kumppanuuskoulut Oy



First school premises of Kumppanuuskoulut Oy completed – over 2,000 children started their studies in new facilities in August 2022

In 2020, the City of Espoo, Kumppanuuskoulut and YIT signed an agreement to implement a total of eight schools and day care centres with a new procurement model for the municipalities in Finland. The first three schools and a day care centre under the new model were completed during summer of 2022 and a total of 2,245 Espoo children started their autumn semester in the new schools.

The school premises completed in 2022 include Pohjois-Tapiola school, Nauriskaski school and the premises for the Perkkää school and youth centre and Nöykkiönniityn day care centre. The agreement also includes the Perkkää day care centre, Kilo school and day care centre and the primary school section of the Kuitinmäki school. The latter will be completed in 2023.

All completed premises have obtained EPC label A and RTS certification of four stars is already achieved for Pohjois-Tapiola school and Perkkää day care centre. The share of renewable energy in the sites exceeds 20% which is achieved through geothermal energy and solar panels that the schools have provisions for. Systematic maintenance activities together with maximized energy efficiency keep the properties' carbon footprint as low as possible. The E-value indicating energy efficiency exceeds the national requirement by about 35% at both sites.

After full completion, almost 4,000 pupils will have access to new education facilities. The aim is to achieve a four-star rating in the RTS environmental classification and EPC label A for all properties. OP Corporate Bank's total eligible signed loans amount to up to 35 million euros.