



TAPIOLA

Corporate
Responsibility
Report 2009

Making
Responsibility an
Everyday Issue

Dear reader

This report describes the impacts the Tapiola Group has on its operating environment and society as a whole and how responsibility is taken into consideration in Tapiola's operations and their development. This Corporate Responsibility Report supplements our financial reporting. Now published for the seventh time, this report covers the key events, results and impacts in 2009.^(3.1)

Tapiola is a mutual company, and this report is intended for owner-customers, employees, other stakeholders and all those interested in our company and operations. The focus in the selection of topics covered by the report was on issues important to owner-customers^(3.5), with the assessment of importance based on questionnaires conducted among Advisory Committees as well as a variety of other studies. Stakeholder questions about responsibility can be found in page margins.

The Global Reporting Initiative (GRI) Guidelines have provided an excellent basis for the development of our reporting: two years ago our report was rated at Level A+. Our reporting is still in compliance with the GRI Guidelines issued in 2006 and the Financial Services Sector Supplement (FSSS) issued in 2008 where applicable. We estimate that our reporting is still in compliance with the requirements set for Level A.

The GRI and FSSS index codes are inserted in the text as superscript. The codes refer to the comparison table on page 47^(3.12).

The report has not been assured externally, but established practice was followed in the reporting process, and feedback received from assurance providers and stakeholders was taken into consideration.^(3.13)

This report applies to the entire Group as, despite being divided into separate companies, we serve our owner-customers as one Tapiola.^(3.6, 3.7) The number of outsourced operations and amount of leased property are so low that these were not included in the report. Turva Mutual Insurance Company is a subsidiary of Tapio General but, since it prepares its own financial statements, its figures and operations are not discussed in this report. This report was adopted by the meetings of the Boards of Directors on 3 May and 4 May 2010.

Contact persons for questions regarding the content of the report are listed on the inside page of the back cover.^(3.4)

The measurement techniques used are the same as for previous reports, with no changes made during the reporting period^(3.9-3.11).



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President
Asmo Kalpala

Review by the President

Responsibility results in operational stability

The impacts of the insurance and financial services sector on society and the lives of each and every one of us are greater than is generally realised. This is particularly apparent during financially and economically challenging times. In the insurance business risk spreading is the foundation on which we generate the highest added value for our customers. In a situation where disposable funds are low, an unexpected loss or accident may result in the collapse of the entire finances of an enterprise or family if not protected by insurance cover. Banking services are essential for everyone, and the role of long-term savings is increasing as a method to supplement statutory pension cover. Our owner-customers' interest is the guiding principle of our work at Tapiola.

In times of financial and economic hardship the importance of mutuality is emphasised in financial services. It is also valuable that there is no third party whose needs have to be taken into consideration between customers and the company. In recent years Tapiola has made several major development efforts to improve customer service. During the new strategy period that we have recently entered, we aim to involve our owner-customers more closely in the operational development of the group of companies they own.

The significance of international connections is emphasised in the interest representation of mutual companies, with the focus increasingly on influencing at the EU level – at the source of decisions. We also participate actively in international organisations of mutual companies and European networks of insurance companies to explore new ideas and good practices for the development of our operations and for the benefit of our owner-customers.

The year 2009 was a year of responsibility for Tapiola. We updated our Group values and raised 'Making responsibility an everyday issue' to one of our values alongside 'Customers' benefit' and 'Succeeding together'. We have adopted a new strategy for the Tapiola Group for 2010–2012, with responsibility as one of its key policies. During the year under review we conducted extensive discussions about the development of responsible business in Tapiola, which resulted in responsibility commitments to our customers, employees, the environment and society. Thanks to our employees' genuine interest and commitment we will be able to continue the process of increasing responsibility to redeem our commitments and implement the necessary measures. Our aim is to be a pioneer in corporate responsibility in our sector in Finland.^(1,2)

We enter the new decade as a financially sound group of companies making even more determined efforts in the field of responsibility. We draw strength from our uniqueness, our Group values and our policy to operate for the benefit of our customers and for succeeding together. Next year we will be able to report on the progress we intend to make in the implementation of our responsibility commitments.

Tapiola in brief

Around EUR

7.5

million paid in compensations and pensions every business day

Services provided in

150

locations and online



Photo: Anders Portman

The Tapiola Group's new building in Tapiola, Espoo, rose to its final height in April 2009. It was designed by SARC Architects Ltd and several employee representatives were consulted during the design process. The primary contractor was YIT Construction Ltd. The move into the new premises began in mid-March. The building has capacity for more than 1,500 employees and has a floor area of more than 71,000 m² on six above-ground and three basement floors. The street address of the new building is Revontulenkujä 1, 02010 TAPIOLA, Finland.

Economic performance indicators for the Group 2009 ^(2.8)

Development of the Tapiola Group's turnover (EUR million)

Group	2007	2008	2009
Tapiola General Group	785.0	676.1	800.9
Tapiola Life Group	406.6	196.3	461.6
Tapiola Pension	1 634.4	1 278.5	1 891.3
Tapiola Bank	42.9	73.4	55.8
Tapiola Asset Management	10.1	10.2	12.0
Tapiola Real Estate	5.5	6.7	7.5

Development of the Tapiola Group's expense ratio (%)

Group	2007	2008	2009
Tapiola General Group	24.3	26.0	26.0
Tapiola Life Group *)	110.7	120.6	127.2
Tapiola Pension **)	81.1	81.8	84.2
Tapiola Bank ***)	1.1	0.9	0.9
Tapiola Asset Management ***)	0.9	1.0	1.0
Tapiola Real Estate	1.0	0.9	0.9

*) expense ratio

***) operating expenses, % of loading profit

****) cost/income ratio

Solvency of Tapiola Group companies

Business	Indicator	2007	2008	2009
Non-life insurance	solvency ratio	228.3	189.3	208.3
Life insurance	solvency capital, % of technical provisions	15.4	14.8	17.3
Employee pension insurance	solvency margin, % of technical provisions	21.3	16.2	23.7
Employee pension insurance	solvency margin in relation to solvency limit	1.8	2.9	3.0
Banking	solvency ratio	17.3	18.7	16.3
Funding business *)	solvency ratio	40.7	52.7	37.6
Real estate business	equity to assets ratio	13.4	27.8	42.5

*) Basel II

Economic performance of Tapiola Group companies (EUR million)

Company	Result	2007	2008	2009
Tapiola General Group	overall result	97.3	-198.3	151.9
Tapiola Life Group	overall result	19.9	-92.8	121.6
Tapiola Pension	overall result	-72.8	-612.2	583.1
Tapiola Bank Ltd	operating profit	-2.1	1.6	1.7
Tapiola Asset Management Ltd	operating profit	0.5	-0.2	0.5
Tapiola Real Estate Ltd	operating profit	0.1	0.5	0.7

Social performance indicators

Indicator	2007	2008	2009
Number of employees	3 007	3 153	3 002
Men, %	33	33	34
Women, %	67	67	66
Training costs, EUR million	2.1	2.9	1.1
Sick leaves, % of target working hours	4.36	4.4	4.5
Employee wellbeing, average	8.2	8.4	-

Environmental performance indicators

Indicator	2007	2008	2009
Tapiola's paper consumption (tonnes)	642	663	583
CO ₂ emissions (tCO ₂)*	7 636	6 754	6 292
Heat consumption (MWh)**	3 016	3 021	3 155
Electricity consumption (MWh)**	5 906	6 037	5 869
Water consumption (m ³)**	13 363	19 731	14 037

* Head office functions, ** Head office building

Tapiola is a full-service insurance and financial services provider ^(2.1)

Tapiola is one of the largest financial houses in Finland. Established in its current form in 1982, Tapiola's roots date back 150 years. The Group provides services to private individuals, agricultural producers and forest owners, entrepreneurs and enterprises as well as banking, savings and investment services customers. The Tapiola Group is strongly in tune with the times and seeks to develop in response to customer needs.

There are three insurance companies in the Tapiola Group: Tapiola General Mutual Insurance Company (Tapiola General), Tapiola Mutual Pension Insurance Company (Tapiola Pension) and Tapiola Mutual Life Assurance Company (Tapiola Life), with their service provision complemented by Tapiola Bank Ltd, Tapiola Asset Management Ltd and Tapiola Real Estate Ltd.^(2.2) Tapiola Corporate Life Insurance Ltd (Tapiola Corporate Life) merged with its parent, Tapiola Life, in 2009. Most of Tapiola's services for private and enterprise customers are produced by the Group. Tapiola's ITC services are produced by the subsidiary Tapiola Data and catering services by Aura-Karelia. Many services also involve a partner company supplementing Tapiola's service range, and property maintenance and letting services have been outsourced.

The Tapiola Group has almost 1.2 million owner-customers and pays out around EUR 7.5 million in compensations and pensions every business day.

A nationwide service network in Finland ^(2.3)

Tapiola's head office is located in Tapiola, Espoo. The regional organisation consists of five regions headed by regional directors. The regional offices are located in Helsinki, Kuopio, Turku, Tampere and Oulu. Tapiola's services are available in more than 150 locations, with a service office in the 50 largest cities and towns and around 70 entrepre-

neur-run customer service points in smaller population centres.^(2.4) In addition to these, Tapiola's customers have access to an extensive network of agents and comprehensive online services for private and corporate customers.

Tapiola's regional division revamped

In October 2009 Tapiola's regional organisation was revamped to comprise five regions instead of the previous six.

Our **Southern Region** covers southern Finland from Inkoo to Ruotsinpyhtää and Lapinjärvi and from Hyvinkää to the southernmost tip of Helsinki. The **Western Region** covers the local areas of Turku, Salo/Lohja, Rauma/Vakka-Suomi/Loimaa, and Pori. The **Western Region** comprises six local areas: Pirkanmaa, Kanta-Häme, Päijät-Häme, Central Finland, Ostrobothnia and Southern Ostrobothnia. The **Eastern Region** is divided into the local areas of Kuopio/Varkaus, Southern Savo, North Karelia, South Karelia, Southern Kymenlaakso and Northern Kymenlaakso.

The **Northern Region** covers 76 municipalities in three provinces. It is divided into the local areas of Kainuu, Central Ostrobothnia, Northern Ostrobothnia, Oulu, Lapland and North Savo.

Customers can also access a comprehensive range of Tapiola services abroad. Although we operate in the Finnish market, we cooperate closely with foreign insurance companies and industry associations. At year-end 2009 the Tapiola Group made a decision to become a full member of Eurapco, a consortium of European independent insurance and financial houses, following a period with a cooperation agreement with it since 2008.^(2.5)

Changes in operations in 2009 ^(2.9)

The year saw several organisational changes in the Tapiola Group. In addition to the regional reorganisation, the service organisation in the Helsinki Metropolitan Area was revamped. Our telephone services and office network will be expanded in the coming years with the introduction of several new entrepreneur-run local service points.

A new customer service centre with 60 to 70 employees was established in Kokkola, western Finland. The centre expands our nationwide telephone and online customer service and improves our service provision for Swedish-speaking customers in particular. The customer service centre was opened in February 2010.

Tapiola Pension underwent an organisational reform for greater customer orientation through the establishment of a new customer contacts unit. The new organisation was launched at the beginning of 2010.

In November Tapiola Real Estate and Corbel signed a long-term partnership agreement regarding the production of real estate expert services for a business premises portfolio administered by Tapiola Real Estate. The services comprise building management, accounting, rent management and technical support for rental operations for the business premises, most of which are located in the Helsinki Metropolitan Area.

In June Tapiola's Supervisory Boards decided that Asmo Kalpala (born 1950) will continue as Tapiola Group President until 31 December 2012.

Awards and distinctions received in 2009 ^(2,10)

Loyal Customer Forum, an information service specialised in loyal customer marketing and customer benefit programmes selected



Tapiola's benefit programme for private customers (Omaetu) Programme of the Year 2009. This was based on the Forum's annual loyal customer barometer, which surveys customers' opinions on loyalty programmes and their satisfaction with issues including their own insurance company and bank.



In the EPSI Rating 2008 survey Tapiola's customer service came second best among Finnish insurance companies, with young customers under the age of 29 the most satisfied with Tapiola. Tapiola's customer satisfaction index went up to 76.9 points from the previous year's 76.3.

American A.M. Best Co awarded Tapiola General a rating of A (Excellent) for its high solvency level and strong risk-carrying capacity. The rating has remained the same from 2006 until 2009.

Tapiola's funds received excellent ratings from organisations such as independent investment research provider Morningstar and fund rating company Eufex. In April 2009 the fund rating company Lipper rated Tapiola World 50 the best fund in its category among 11 Nordic mutual funds investing



globally.

The year 2009 also saw the Tapiola Group awarded the best Finnish workplace in the Move Europe campaign organised by the European Network for Workplace Health Promotion (ENWHP). Tapiola shared the first place with the City of Pori in the initiative covering 25 European countries. Following a study of the wellbeing at work practices of hundreds of applicant organisations, the winners were expected to have taken exemplary measures to promote employee health, safety and wellbeing at work. Tapiola's particular strengths included a comprehensive and participatory approach to wellbeing at work, close cooperation between HR, occupational health care and health and safety actors as well as the practical-oriented and systematic nature of the measures taken.

The publicity campaign for our HR package for corporate customers got silver in the annual competition for direct marketing and customer loyalty programmes organised by the Finnish Direct Marketing Association. The package also received the Gold Effie Finland Award in the Effie Awards Finland competition in which marketing campaigns are judged on the basis of effectiveness.

Tapiola Bank's Managing Director **Harri Lauslahti** was chosen as Influencer of the Year in the banking and insurance industry at the VaikuttajaForum gala organised by Management Events in June 2009. Tapiola Real Estate's Head of Construction **Antti Leivo** received the City of Vantaa's annual construction quality award for construction management of DHL Business Park Vantaa.



Tapiola Pension's investment function was chosen as the best investment organisation in Europe in 2009 in the international category in the competition arranged by Investment and Pensions Europe (IPE) in Dublin in November. Pictured here is Hanna Hiidenpalo, Director, Investment Services, Tapiola Pension.

Corporate governance

At the Tapiola Group, corporate governance is based on mutuality and legislation concerning the financial and insurance business, regulations and guidelines issued by the Financial Supervisory Authority (FIN-FSA) and, as applicable, on corporate governance recommendations in force. Good governance aims especially at ensuring the functioning of ownership policy and the transparency of our operations.

Who owns Tapiola?

In a mutual insurance company, policyholders are also shareholders. Customers become shareholders when taking out insurance from the company, with no additional investment necessary. At Tapiola Pension, shareholders include not only policyholders but also employees covered by the employee pension insurance scheme. As shareholders, policyholders and the insured have the right to influence decision-making within the company and benefit from the company's success. The shares of the limited companies in the Group are owned by the Group's mutual companies.^(2,6) Due to the mutuality of the Tapiola Group and the high number of owners in the mutual companies, the Supervisory Boards have substantial decision-making power and broad supervisory responsibility compared to listed companies. In this duty the Supervisory Boards of Tapiola General and Tapiola Life are assisted by the Cooperation Committee of Supervisory Boards consisting of the chairpersons of the Su-

perisory Boards, which also acts as the supervisor of the President of the Tapiola Group.

Corporate governance structure ^(4,1)

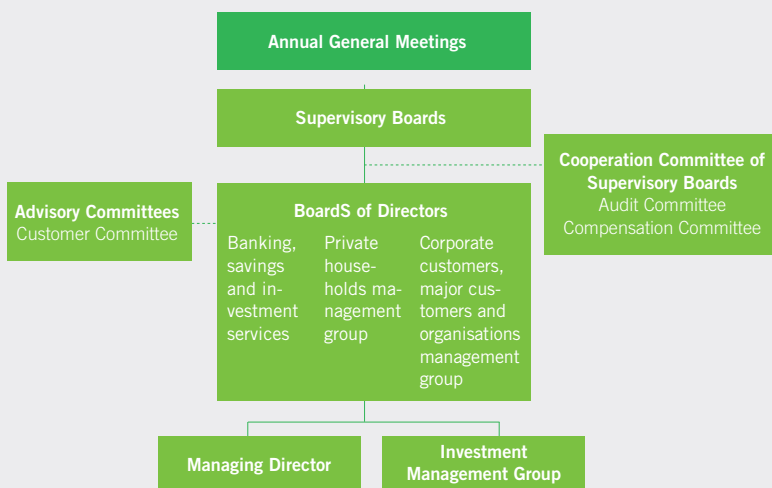
The chairman of the Boards of Directors of Tapiola General and Life is the President of the Tapiola Group who, in addition to the chairing duties is responsible for the achievement of the strategic goals set for the Group, with particular duties including development, risk management, stakeholder relations and Group synergy. Tapiola Pension, Tapiola Bank Ltd, Tapiola Asset Management Ltd and Tapiola Real Estate Ltd each have their own Board of Directors.

Of the 12 Board members, 6 are appointed by labour market organisations and 4 by customer organisations and stakeholders.^(4,3) There are statutory provisions and Financial Supervisory Authority guidelines regarding the requirements and competence levels set for board members and managing directors of insurance companies. Similar requirements also pertain to financial service providers.^(4,7)

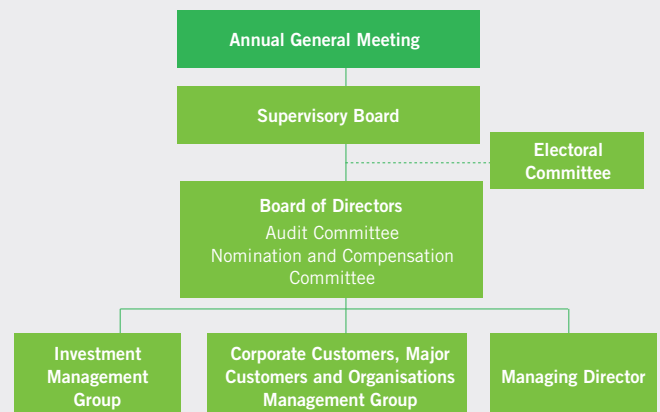
Regulatory compliance and legal risk management have been secured by developing compliance activity in the Group. The legality of decisions made by each Board of Directors is controlled by its secretary.^(4,5) The duties of the Cooperation Committee of the Supervisory Boards of Tapiola General and Tapiola Life as well as the Audit Committee assisting it and the duties of the Audit Committee of the Board of Tapiola Pension include the monitoring of compliance with legislation and regulations.

To read more about the Tapiola Group's corporate governance visit www.tapiola.fi > Tapiola Group > Administration.

The Tapiola Group's Corporate Governance Structure



Tapiola Pension's Corporate Governance Structure



Important bodies in Tapiola's corporate governance structure are the Advisory Committees and the Cooperation Committee. Tapiola Pension has its own statutory governance structure.

Senior executives' salaries and other benefits in 2009

The salaries of Tapiola's senior executives are based on job classification and the assignment of points using benchmarking information from the financial services sector. Their performance-related pay is based on a performance-related pay system and balanced scorecard perspectives. Since 2008 an element indicating the realisation of responsibility has been included in the grounds used for the determination of performance-related pay.^(4.7, 4.10)

In 2009 President **Asmo Kalpala's** salary and other benefits totalled EUR 649,581, including performance-related pay totalling EUR 77,461. The salaries and performance-related pay of the full-time Board members were as follows:

- **Jari Saine** EUR 328,346, including performance-related pay totalling EUR 27,825;
- **Arto Jurttila** EUR 308,194 (EUR 28,370);
- **Antti Calonius** EUR 299,751 (EUR 20,225);
- **Jari Sundström** (from 1 December 2009) EUR 22,994.

The managing directors' salaries and performance-related pay were as follows:

- **Juha-Pekka Halmeenmäki** EUR 234,454, including performance-related pay totalling EUR 22,939;
- **Minna Kohmo** EUR 214,162 (EUR 8,346);
- **Satu Huber** EUR 257,628 (EUR 8,801);
- **Harri Lauslahti** EUR 297,839 (EUR 87,856).

Among the Board members, the retirement age of Saine and Calonius is 60, while that of Jurttila and Sundström is as specified in the current Employees' Pensions Act. Asmo Kalpala will continue in his position until aged 63, and the retirement age of the managing directors is also 63.

Planning, management and monitoring system

Responsibility is a major guiding factor in the planning, implementation and monitoring of our operations. For these purposes the customer segments, companies and business units each set objectives for the four perspectives of the balanced scorecard: the customer, personnel and service process approaches and financial and market position. Responsibility commitments are also incorporated into action plans.

The main operational and financial outcomes are addressed in the management's target meetings, the Segment Management Groups and the companies' Boards of Directors. Financial reporting by companies takes place twice yearly, and Tapiola Pension provides quarterly reports on the results of its investment activity.

Modern mutuality is about cooperation

Mutuality at Tapiola has been concretised into excellence factors affecting our everyday work. Consulting and involving our customers in our operational development takes place systematically. The realisation of our customer commitments in all customer encounters can be seen in our management and work cultures. Another excellence factor is the realisation of responsibility through our responsibility commitments. The situation and progress made in these areas is assessed by the five-member Customer Committee selected from among members of Tapiola's Advisory Committees. Tapiola's executives are also actively engaged in interest representation in the field of mutuality at Finnish and international levels.

What is Tapiola's management reward system like?

Examples of monitoring information employed by the Group management

Elements of strategic intent	Sources of monitoring information
Mission	Customer and market surveys
Values	Customer feedback
Basis for our uniqueness	Global and national trends
Vision	Weak signals, research on national and global scenarios
Strategic choices	Personnel surveys
Strategy cards based on the balanced scorecard system	Internal economic and financial analyses
Risks in the operating environment and strategic risks	Decision-maker and media surveys
Operational risks	Investor surveys
	Internal customer relations analyses
	Operational, economic and financial analyses of the sector
	Communications monitoring



The Customer Committee was first organised in September 2009. Pictured from the left are Esa Hasu, Chair Hanna Lehtimäki, Jouni Jyrinki and Anssi Keinänen, with Matti Kuittinen sitting in the front.

Success assessed by the Customer Committee

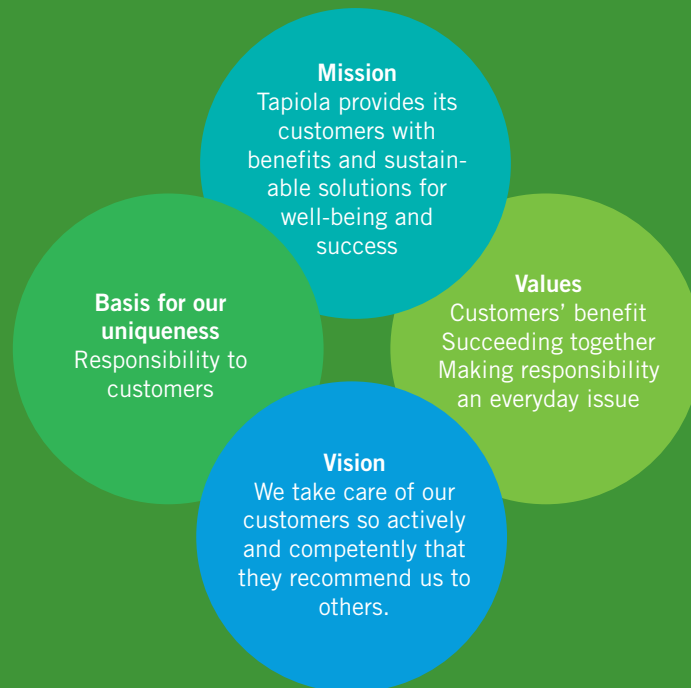
The Customer Committee was established to replace the former Mutuality Committee in conjunction with the determination of the mutuality excellence factors. The Committee has a representative from each of Tapiola's five regions, appointed by local Advisory Committees.

The Committee has been operational since January 2010. In its organisation meeting in autumn 2009 the Committee appointed from among its members Professor Hanna Lehtimäki from Tampere as the Chair. She represents the Western Region and chairs the Pirkanmaa Advisory Committee. Adjunct Professor Sampsa Saralehto from the Southern Region was appointed as Deputy Chair, with other members comprising architect Matti Kuittinen from the Southwestern Region, Executive Director Jouni Jyrinki from the Northern Region and Finance Director Esa Hasu, Professor Anssi Keinänen and Professor Lasse Koskelainen alternating as representatives of the Eastern Region. Joel Karjalainen, Assistant, External Relations, Tapiola, serves as secretary to the Customer Committee.

During its three-year term the Customer Committee is tasked with assessing one excellence factor for mutuality in alternate years. In 2010 the focus is on customer consultations. The Customer Committee will have access to all the material needed for assessment, and it will report on its observations and give proposals regarding issues in need of development. Its report will be discussed by the Tapiola Board and Cooperation Committee.

Making responsibility an everyday issue

Responsibility is an element in our mission, values and entire strategic foundation.



Responsibility commitments created together

Tapiola's responsibility commitments for the 2010–2012 strategy period

TO CUSTOMERS

1. Tapiola speaks its customers' language
2. Owner-customers to develop Tapiola's operations
3. The development of our products, services and investment activities is based on responsible conduct

TO PERSONNEL

1. We encourage responsible management
2. Everyone to promote corporate responsibility
3. Well-being at work gives balance to life

TO THE ENVIRONMENT

1. Less burden on the environment and climate
2. More emphasis on the management of environmental risks
3. We take part in the discussion on climate change

TO SOCIETY

1. Tapiola is an active influencer on the values of corporate responsibility
2. Promoter of responsibility in society
3. Well-established business operations support social stability



Director Anu Pykkänen is in charge of external relations and corporate social responsibility at Tapiola. She is a member of several Finnish and international boards and working groups in the fields of social and environmental responsibility.

At the Tapiola Group, corporate social responsibility refers to Tapiola's different roles in society and Tapiola's effects on its stakeholders. We use the term 'corporate responsibility' to refer to those elements of responsibility that are associated with our business operations. Our aim is to exceed the standards set by the government and become a pioneer that utilises and develops responsibility.

Responsibility in our values^(4.8)

Tapiola's values are customers' benefit, succeeding together and making responsibility an everyday issue. Our values were reviewed before the beginning of the new strategy period, with no changes made to the value base but with the content of the values 'ethical operation' and 'entrepreneurship' incorporated into one new value, 'making responsibility an everyday issue'.

Customers' benefit is an essential value because Tapiola is owned by its customers. Owners are committed to Tapiola through their need for financial security, not to use power or seek profit. Benefits enjoyed by our customers include safe overall affordability in the long run, responsible operations and services in response to customer needs.

Succeeding together is a value concerned with cooperation and mutual feedback that involves partnership and caring. Togetherness and working together also involves appreciation for good individual performances. Each one of us must have the opportunity to use our best competences in the pursuit of our common goals and, where necessary, receive support from management and co-workers. We also pursue succeeding together with our customers and partners. Everyone involved will succeed if things are done well.

Making responsibility an everyday issue means a high level of responsibility in our operations and finances, assuming personal responsibility for our own actions in relation to customers and co-workers, and commitment to the promotion of corporate responsibility. Making responsibility an everyday issue also calls for an understanding of the social linkages and impacts of our operations.

Responsibility incorporated into our strategy

Tapiola's strategy sets the direction towards sustainable response to the needs and expectations of customers and other stakeholders. The Boards of Tapiola companies decide upon this direction for three years at a time. The foundations of our strategy are reviewed annually and progress made is monitored on a quarterly basis. In our strategy work efforts are always made to take the societal impacts of our actions as well as the precautionary principle into consideration. The period just concluded covered the years from 2007 to 2009.^(4.11)

At the start of the period the Group's mission was rephrased to correspond to the challenges of growing responsibility. The wording 'sustainable solutions' implies that all of our operations must comply with the requirements of both long-term sustainability and transparency.^(1.2) Tapiola's values were reviewed, and the new values, now totalling three, were adopted in spring 2009: customers' benefit, succeeding together and making responsibility an everyday issue. Internationally-recognised standards promoting sustainability are also incorporated into the foundation of our activity.^(4.12) At the beginning of the period we adopted 'responsibility to customers' as the basis for our uniqueness.

Beyond statutory requirements

Enterprises that can be regarded as constructive players utilising responsibility are able to actively create new solutions that go beyond statutory requirements by operating with cooperation networks across sectoral boundaries. Such enterprises approach responsibility from a broad perspective and regard it as a strategic and operational element of their business. The costs of responsibility are the costs arising from communications and compliance with standards. Cost savings are also created as sanctions and re-performance of work due to complaints are avoided. Responsibility also results in win-win-win income, which refers to a situation where the enterprise, customer and society or partner all benefit.

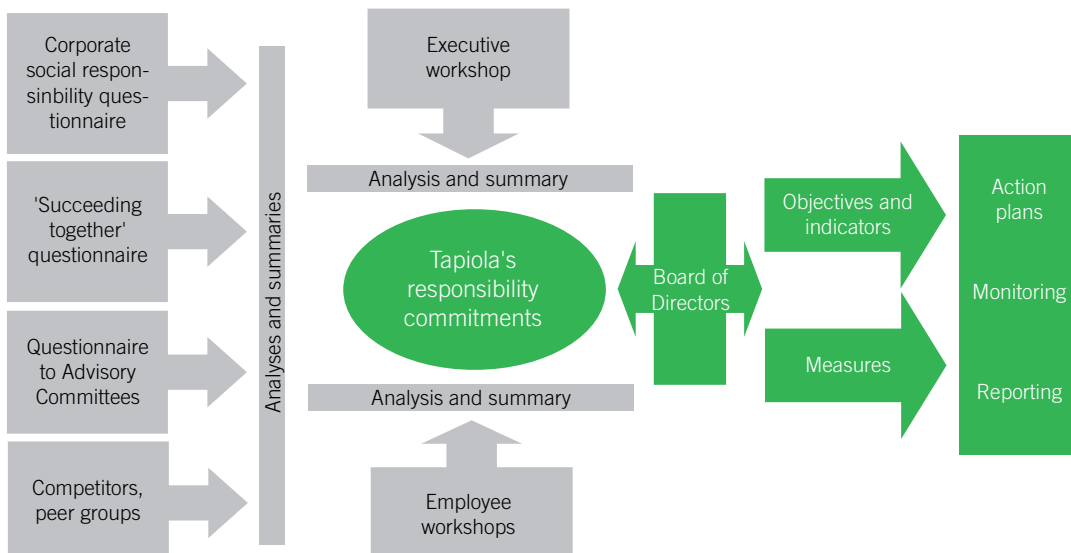
Tapiola wants to be a pioneer in corporate responsibility in the Finnish insurance and financial in-

dustry. To achieve this objective, we have adopted responsibility commitments to customers, employees, society and the environment that will guide our operations. The commitments and progress made in them are presented in relevant sections of this report.

Responsibility commitments created together

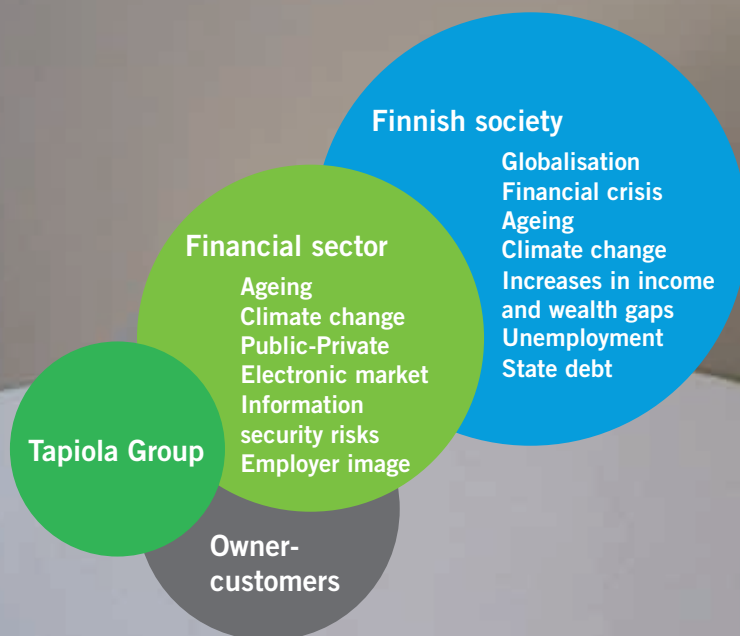
Our responsibility commitments were created during 2009 in a project under which our employees discussed responsibility in 20 workshops, utilising the results of a variety of questionnaires and benchmarking. Around 200 managers and experts from different parts of our organisation participated in the discussions, and a summary of the surveys and discussions was used by a workshop of executives to select the focal areas of Tapiola's responsibility, which were processed further to formulate our commitments. Objectives were set, indicators determined and action plans drawn up for the commitments in spring 2010.

The process towards the creation of our responsibility commitments



Responsibility will be incorporated into every Tapiola employee's work in the form of our responsibility commitments. The commitments were crystallised in a process that was launched in 2009 and will continue in 2010. The commitments have received a highly positive welcome among our employees.

TAPIOLA AND THE CHALLENGES IN THE OPERATING ENVIRONMENT IN 2009



Challenges faced by Finnish society and the financial sector affected Tapiola's operations and the everyday lives of our owner-customers.

The statuesque spiral staircase of Tapiola's new building extends from the ground-floor lobby up to the topmost floor.

Economic operating environment

In 2009 society was amid a global financial crisis that is anticipated to affect the structure of economy. In Finland the year was dichotomous: in the early months of the year we were in the deepest depths of the crisis, but the market began to recover towards the end of the year. The outlook for the Finnish economy is brighter in 2010.

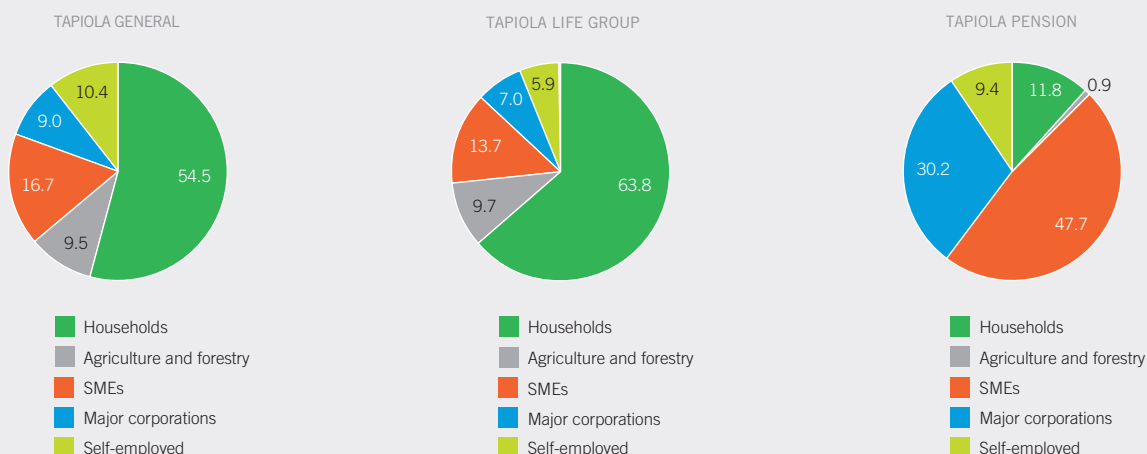
Challenges for our society in the coming years include population ageing and the need to organise care for senior citizens, the employment situation and difficult financial and economic circumstances, and efforts required to curb climate change. A population segregated into those doing well and those less well is becoming increasingly pronounced, with more and more people having to subsist on social security benefits. The financial crisis saw market values of securities plummet. Service provider liability is called for in court proceedings as well as by the media and financial sector supervision agencies.

Among challenges faced by the insurance and financial service sector are transparency and plain language. Other issues covered by international debate include management bonuses. The Finnish financial services sector is making efforts to improve its employer image. Climate change has a direct impact on business in the financial sector, and joint efforts are being made to anticipate and prevent any loss or damage. In the autumn the topic was addressed by the sector's Nordic climate seminar and Finnish corporate responsibility seminar. Financial performance by banks was better

than anticipated, but in other sectors of the economy temporary and permanent layoffs and company close-downs became increasingly common. Their impacts will be experienced later by the insurance sector as cuts in insurance premium payments. The year was quiet for the real estate business, with the construction market also in decline, but towards the end of the year the Finnish residential property market perked up a little and prices began a turn upwards.

At Tapiola we have assumed a respectful approach to payment difficulties experienced by customers due to the economic recession, with options available negotiated with them where necessary. The responsible marketing and sales of investment products call for constant training of sales staff and open communication of the risks involved in the different alternatives to customers using plain language. In 2009 a revamped savings assessment tool was introduced Tapiola-wide to assist in the sales of investment products. The new tool helps sales staff assess the customer's savings needs and willingness to take risks and propose clear and responsible solutions based on Tapiola's views.

Premiums written by customer segment



How does Tapiola keep up with the times in its service provision?

IMPROVED E-SERVICES FOR NON-LIFE INSURANCE



*Managing Director
Juha-Pekka Halmeenmäki*

Non-insurance providers are still waiting for the reform of the Employment Accidents Insurance Act, with the reform of the Motor Liability Insurance Act also still underway. Model terms and conditions for flood insurance policies are being formulated under the leadership of the Federation of Finnish Financial Services. Hardly any measures to prepare against extreme weather conditions have been taken in Finland.

Tapiola General has managed to curb the increase in costs, and new methods have been created and processes improved in claims handling. More than 90% of claims on household insurance are already submitted online, and 95% of compensations are paid to the customer within a week. The development of our e-services has resulted in private persons being able to switch to paper-free services in spring 2010.

FOCUS ON WELLBEING AT WORK AND E-SERVICES AT TAPIOLA PENSION



*Managing Director
Satu Huber*

Debate on the extension of employment careers was lively in Finland during the year under review, and ways to support continuation at work were explored by working groups, with Tapiola Pension among those contributing. Tapiola Pension seeks to promote the extension of careers and the quality of worklife by improving wellbeing at work in cooperation with corporate customers. The importance of support for longer careers has also been communicated publicly in a variety of forums by Tapiola Pension executives.

The year saw Tapiola Pension launch new electronic services. E-services and cuts in the use of paper not only seek to respond to customer needs but also create cost savings and positive environmental impacts. The opportunity to receive your pension record either by post or online has increased people's awareness about their pension security level.

TOWARDS SOLUTION-ORIENTED SERVICES IN LIFE INSURANCE



*Managing Director
Minna Kohmo*

Preparations were made in life insurance for the entry into force of Finland's new act on long-term savings and related tax legislation. These will raise the pensionable age under voluntary pension insurance and affect the period of receipt of voluntary pensions. The post-financial crisis world is likely to see the emergence of new product and service needs, with those including preparations for the ageing of employees and support for extension of careers offering new business opportunities for life insurers. Tapiola already launched a new service package aimed at the 55+ age group in 2008.

The corporate and capital structure was made clearer by the merger of Tapiola Corporate Life with Tapiola Mutual Life Assurance Company. We have achieved income enhancement following the introduction of new operating models and cuts in operating expenses thanks to actions including the merger of claims handling and a flatter organisation. The new life insurance service model is based on a solution-oriented approach. An example of this is the HR package for corporate customers. The asset management-based insurance solutions launched last year have proven a success in continuous savings life insurance.

How is Tapiola improving its corporate e-services?

BANKING BUSINESS ON A GROWTH PATH PARTICULARLY IN GROWTH CENTRES



*Managing Director
Harri Lauslahti*

The banking sector has been in the eye of the storm in the global economic turmoil. Recovery measures taken by central banks and countries have kept the economic and financial balls rolling, but a new downswing is likely once recovery actions are discontinued.

Tapiola Bank is a growing player in the Finnish market. Its market share has increased in growth centres in particular and it enjoys an exceptionally high rate of customers willing to recommend it to others. The bank's results for 2009 were better than anticipated and it gained 25,000 new customers. According to a survey by independent financial information provider Suomen Rahatieto, Tapiola Bank's service package has been the least expensive for four consecutive years. The package has also been expanded by the Kotimatka real estate service that aims to facilitate the process involved when moving home. Tapiola Bank's operations as a rule operate on a paper-free basis. (See p. 48.)

ASSET MANAGEMENT INVESTMENT PROCESSES DEVELOPED



*Managing Director
Tom Liljeström*

Tapiola Asset Management has applied its own principles of responsible investment in its investment processes since 2007, with preparations for the development of investment processes and operating models towards compliance with the UN Principles for Responsible Investment underway since that and the Principles signed in January 2010.

The large budget deficits and recovery measures based on debt accrual seen in OECD countries maintain concern about whether economic growth will continue following the discontinuation of recovery actions. At the same time people have a need to prepare financially, and savings rates are on the increase. Consequently, the ups and down seen in market values result in both opportunities and risks. Tapiola's new Suoja ('protection') fund seeks yields above fixed-income investments while at the same time protecting against major drops through risk management. The Private Banking asset management concept was created in consultation with customers, and its novel fee system responds to the customer wish whereby no asset management fee is charged if the investment fails to produce a return or does not exceed the benchmark index.

FOCUS ON ENVIRONMENTAL RESPONSIBILITY IN THE REAL ESTATE BUSINESS



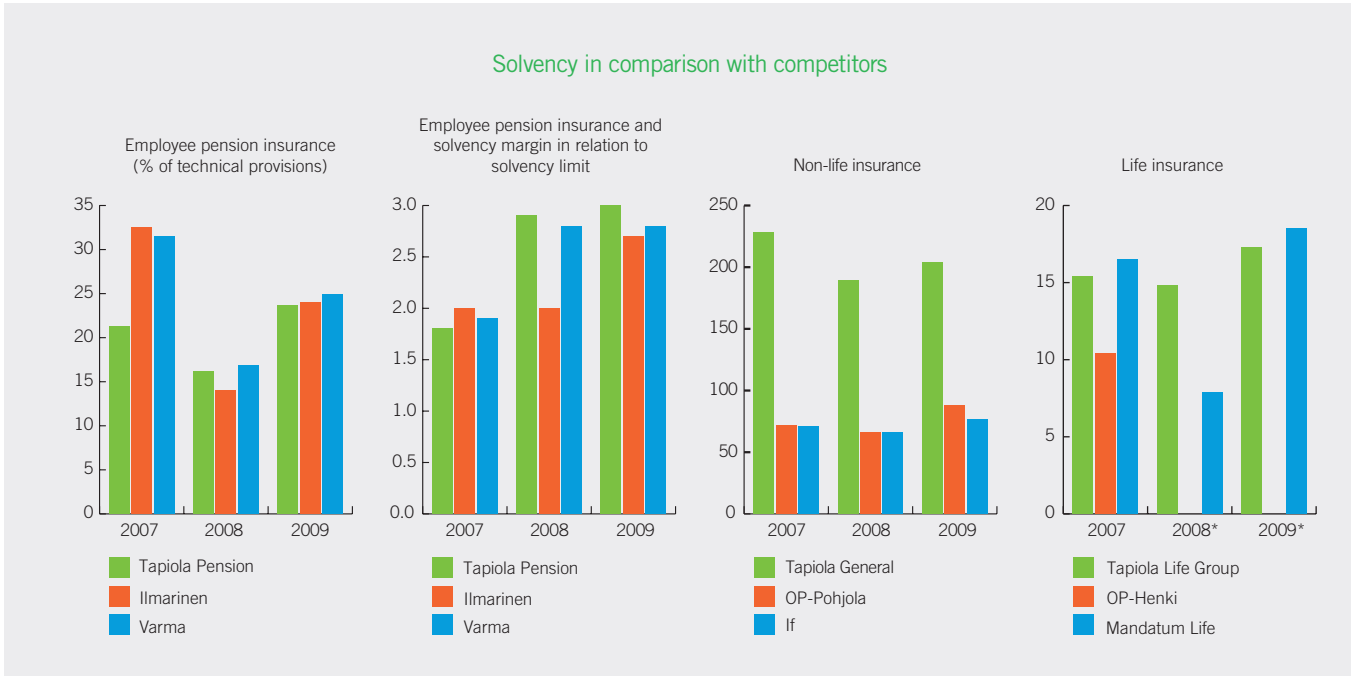
*Managing Director
Vesa Immonen*

The value of real estate administered by Tapiola Real Estate Ltd totals around EUR 2.3 billion and includes office, business, logistics, industrial, hotel and residential premises. The floor area rented out is around 1,000,000 m², with the bulk of this being office and business premises and real estate funds. In 2009 Tapiola Real Estate extended its responsible partner network when it signed a long-term partnership agreement regarding property management services with Corbel Oy and another on a section of its property maintenance services with ISS. Issues related to rental agreements and procedures will continue to take place via Tapiola Real Estate, with residential rental processes taken care of by Realia Management Services.

Tapiola Real Estate signed the UN Principles for Responsible Investment in January 2010. Compliance with the six principles boosts the real estate investment process and creates the prerequisites for continuous development. Tapiola Real Estate is making special efforts to develop into a more environmentally responsible player. Environmental responsibility is a growing trend in the entire real estate business value chain.

Does responsibility play a role in Tapiola's operations?

Is Tapiola's solvency solid?



Tapiola Data

Tapiola's workplace community of more than 3,000 people as well as its insurance and banking systems rely upon information technologies, with the subsidiary Tapiola Data responsible for the Group's IT services and hardware acquisitions. Established in 1974, Tapiola Data is an ICT service company owned by the Tapiola Group and mutual pension insurance company Etera. In addition to Tapiola and Etera, Tapiola Data produces services for mutual non-life insurance company Turva. Challenges faced by the sector include the rapidly changing operating and technology environment and developments seen in society, such as ageing and changes in values.

At the turn of the year Tapiola Data employed 406 IT professionals, with 80 of them based in the Tampere office. The rate of women among employees is 47% and Tapiola Data's Management Group includes a personnel representative. Tapiola Data has been rated highly in the Finland's Best Workplaces list: 5th in 2005 and 12th in 2008.

Organised every other year, the Compass survey of ICT services featured 96 appearances by Tapiola Data in Best Practice Global Reference Groups. Tapiola Data's environmental issues are covered on page 45.

Changes in worklife, the operating environment, technologies and services call for a capacity for transformation and broad thinking. Our employees' preparedness for change is promoted so that they can adapt to changes at appropriate intervals in the organisation and their work. Professionals in project work also receive systematic training.

Personnel costs development (EUR million)

Tapiola General	2005	2006	2007	2008	2009
Wages and salaries	61.2	77.3	79.4	87.8	94.9
Pensions	9.4	16.4	14.5	18.2	18.9
Other long-term benefits	4.6	6.1	5.7	6.1	5.9
Total	75.2	99.8	99.6	112.1	119.6
Tapiola Life Group	2005	2006	2007	2008	2009
Wages and salaries	12.5	13.8	16.4	20.5	23.3
Pensions	2.4	3.0	2.9	4.4	4.6
Other long-term benefits	0.8	0.9	1.0	1.3	1.2
Total	15.7	17.7	20.3	26.2	29.2
Tapiola Pension Group	2005	2006	2007	2008	2009
Wages and salaries	13.7	15.1	16.0	8.6	10.1
Pensions	2.7	3.6	3.0	1.5	2.0
Other long-term benefits	0.9	1.0	1.1	0.7	0.8
Total	17.3	19.8	20.1	10.9	12.9

Tapiola Bank's personnel costs in 2009 totalled EUR 6.2 million and those of Tapiola Asset Management EUR 4.4 million.

Goods and services purchased 2005—2009 (EUR million)

Group	2005	2006	2007	2008	2009
Tapiola General	65.5	66.5	68.1	77.6	71.4
Tapiola Life	16.8	18.0	22.2	32.5	32.9
Tapiola Pension	20.4	21.7	29.4	51.6	53.1
Tapiola Real Estate	-	-	2.3	3.1	3.5

Figures presented are based on purchase invoices.

Social distribution of income 2007–2009^(EC1)

Tapiola's income	2007		2008		2009	
	EUR m	Share, %	EUR m	Share, %	EUR m	Share, %
Income from insurance operations	2 242.7	72.9	2 396.9	100.1	2 441.0	72.4
Reinsurers' share of claims incurred	16.2	0.5	30.5	1.3	9.3	0.3
Net investment income	809.8	26.3	-72.9	-3.0	878.1	26.1
Other income	9.8	0.3	40.0	1.7	40.9	1.2
Total income	3 078.5	100.0	2 394.4	100.0	3 369.3	100.0
Distribution of income to stakeholders						
Claims paid to customers	2 163.5	70.3	1 609.8	67.2	2 472.0	73.4
Reinsurers' share	23.2	0.8	25.8	1.1	28.9	0.9
Salaries, wages, etc.	121.8	4.0	117.3	4.9	122.6	3.6
Other operating expenses = suppliers	167.6	5.4	202.0	8.4	202.5	6.0
Society	445.5	14.5	429.9	18.0	444.8	13.2
Tapiola Group	157.0	5.1	9.6	0.4	98.5	2.9
Total distribution of income	3 078.5	100.0	2 394.4	100.0	3 369.3	100.0

The social distribution of income describes which items comprise the total income and how they are divided between various stakeholders. At the same time it shows Tapiola Group's influence as a corporate citizen. Tapiola has published a report on the social distribution of income since 1977, covering insurance companies only as such a practice has not yet been introduced in the banking sector.

How does society benefit from Tapiola's operations?

Responsible investment

Strong commitment to responsibility in investment activity



Director Jari Eklund,
Investment Services,
Tapiola General and Life

How can ethical issues be seen in Tapiola's investment decisions?

Towards the end of 2009 the investment market began to recover from a particularly difficult situation affected by both the financial crisis and state indebtedness. In Finland the recession of the 1990s had been an educational experience, so the impacts seen this time in our country have not been as devastating as in many other countries.

The assets of Tapiola General and Tapiola Life are in the capable hands of Tapiola Asset Management and Tapiola Real Estate. All investment has been examined and customers classified from the responsibility perspective. Interesting sectors available for the investor include those in the field of renewable sources of energy and energy savings.

Development of Tapiola General's return on investment (%)

2005	2006	2007	2008	2009
11.1	7.2	5.0	-4.5	7.4

The five-year average return rate is 5.0% and the ten-year rate 5.1%. Tapiola General's return on investment in 2009 was below average in comparison with its main competitors. Due to the financial crisis, the company stayed away from the highest-risk corporate bonds which, however, produced high returns in 2009. Investment risk was increased moderately during the year. In terms of the five-year average, Tapiola General has succeeded well in its investments when compared with its main competitors.

Development of Tapiola Life's return on investment (%)

2005	2006	2007	2008	2009
8.7	6.2	3.9	-1.2	7.0

The five-year average return rate is 4.9% and the ten-year rate 5.5%. Returns on Tapiola Life's investments were at the sectoral average in 2009, but the highest returns were missed because the company stayed away from the highest-risk corporate bonds and structured products. In terms of the five-year average, Tapiola Life is among the top two players in the sector.

Tapiola Pension's investments yielded the best-ever results



Director Hanna Hiidenpalo,
Investment Services

Alone among Finnish pension companies, Tapiola Pension managed to make up for the losses caused by the 2008 financial crisis and even achieved positive returns in the 2008 and 2009 period.

Tapiola Pension's investment function was chosen as the best investment organisation in Europe in 2009 in the international category in the competition arranged by Investment and Pensions Europe (IPE) in Dublin. The company's analysis-based investment policy bore fruit. The share of equity investments was stepped up considerably during 2009, enabling the company to tap into the boom in the stock market. Tapiola Pension's analyses in 2009 emphasised responsibility and sustainable development, particularly with regard to climate change. Efforts to curb global warming are also important from the investment risk management perspective in the context of assessing potential returns. Tapiola Pension already signed the UN Principles for Responsible Investment in 2008.

Development of Tapiola Pension's investment income

2005	2006	2007	2008	2009
9.2	6.8	4.1	-8.6	13.5

The five-year average return rate is 4.8% and the ten-year rate 5.3%. Long-term rates are at the top level within the sectoral reference group.

Development of employee pension insurance companies' investment income

2005	2006	2007	2008	2009
11.6	8.9	5.5	-15.5	12.2

The five-year average return rate is 4.0% and the ten-year rate 4.1%. The figures do not include data for Tapiola Pension and Pensions Alandia.

Environmental issues in investment activities

Tapiola Pension, Tapiola Real Estate and Tapiola Asset Management have signed the UN Principles for Responsible Investment (UN PRI). This means they undertake to consider environmental and social aspects and good corporate governance in their investment operations and ownership policies. They have also made a commitment to promote awareness about responsible investment.

In 2009 Tapiola Pension looked into the companies it invests in to examine their responsibility and positioning in terms of efforts to address climate change. Around 70% of the companies in Tapiola Pension's portfolio contribute towards mitigating climate change, i.e. their products or processes consume less energy, use renewable sources of energy, recycle waste efficiently, save water, energy or raw materials. The rate is even higher if companies with the best performance in their reference group or sector are included.

In property investment, responsibility is taken into consideration in every stage of Tapiola Real Estate's value chain from the investor all the way to the property user. Compliance with the UN PRI boosts the real estate investment process and creates the prerequisites for continuous development.

Regional impacts



Photo: Tomi Kosonen

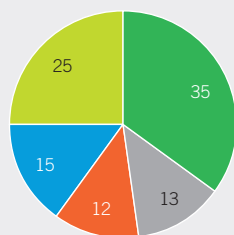
Systems Specialist Mirja Rahko donating blood as part of a lifesaving campaign at the Seinäjoki office. Tapiola challenged the traders operating at a local shopping centre to the campaign.

At Tapiola we seek to be active influencers and contribute to the regional economy through our policies and services. We also seek to participate in local cultural and sports activity. Through our policies and services we are able to contribute to the regional economy. One of the issues taken into consideration in the development of distribution channels is regional development. This is among the aspects emphasised by bodies such as Tapiola's Advisory Committees. Our new regional division is presented on page 6 under 'Tapiola in brief'.

Impact on employment and purchasing power can be measured on the basis of salaries and wages paid in the regions, excluding other personnel costs. Wellbeing generated for local residents and taxpayers can be measured on the basis of insurance premiums earned and claims paid in the regions. The number of customers is an indicator of how many people's lives and assets Tapiola secures in its area of impact. The regional distribution of Tapiola Bank's lending and deposits is an indicator of the availability of its banking services.^(EC9)

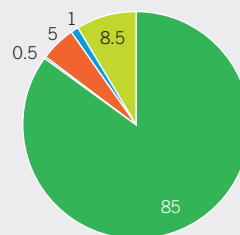
What is Tapiola's regional impact?

Home loans by region, %



- Southern Region
- Eastern Region
- Southwestern Region
- Northern Region
- Western Region

Lending by purpose of use, %



- Residential
- Study
- Consumption
- Overdraft facility
- Investment

Lending and borrowing in 2009

Total lending	EUR 1154.6 million
Total borrowing	EUR 1233.7million

Tapiola's regional impacts

The figures for the head office are not included in those for the Southern Region in this context.

Tapiola region	Number of employees in regional organisation at 31.12.2009*)	Number of agents **)	Wages, salaries and fees EUR thousand	Insurance premiums EUR thousand	Compensations paid ¹⁾ EUR thousand	Private household customers ²⁾ (number)	Enterprise customers ³⁾ (number)
Southern	159	189	10 578	804 833	132 399	182 518	3 910
Southwestern	99	296	8 846	271 830	73 373	128 569	2 349
Western	162	477	15 193	520 788	126 083	239 340	4 703
Eastern	127	349	10 545	324 771	89 979	154 273	3 656
Northern	114	372	11 777	328 185	119 205	172 652	3 091
Total	661	1 683	56 938	2 250 406	541 040	877 352	17 709

*) The number of employees given in this column only includes full-time employees. The regional organisation had a total of 29 part-time employees and 70 hourly-paid employees. A total of 295 Tapiola employees who belong to the head office organisation and whose pay is not included in the table also work in the regions.

***) In addition to these there are 404 Turva agents selling Tapiola's life and employee insurance policies and 1,525 car dealers. In addition to authorised agents, the figure given in this column includes product agents, local services and "tippers".

1) Excluding pension-type employee pension and life insurance compensations. Including compensations paid to major companies.

2) Private customers include households, agricultural producers and forest owners and self-employed persons.

3) Enterprise customers given in this column also include non-business organisations but exclude major corporations served under the head office organisation.

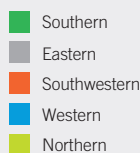
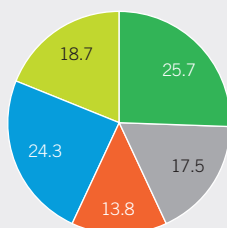
Goods and services purchased by the regions from local enterprises in 2009 (EUR thousand)

	Southern	Southwestern	Western	Eastern	Northern
HR-related services	308	221	285	316	213
Other premises costs	490	323	498	393	409
Office and other services	271	100	141	116	99
Entertainment, marketing and advertising services	516	349	870	466	452
Total	1 584	994	1 793	1 290	1 173

Figures presented are based on purchase invoices. Local customer companies are favoured in the purchasing of goods and services.^(EC6) These figures exclude purchases made by the head office.

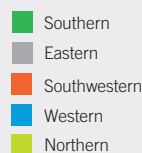
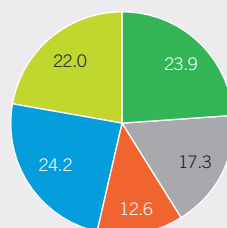
Premiums written by region

TAPIOLA GENERAL



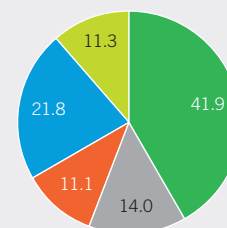
Premiums written by region

TAPIOLA LIFE



Premiums written by region

TAPIOLA PENSION



Responsibility to customers

EUR
92.3
million paid in
owner benefits



Responsibility to customers

Insurance and financial services create social stability and security and enable economic activity by offering sensible tools for risk protection. Basic banking services are essential services in today's society. We are aware of the impacts of our activity on society and customers' lives and develop our services accordingly.

Market stability and confidence in Finland's insurance and financial sectors is supervised by the Financial Supervisory Authority. Financial services do not have direct health or safety impacts, so service provision in the sector is not governed by health and safety regulations or voluntary codes. Cases where insurance and financial services may have an impact on customers' and consumers' health and safety are limited to those where a customer has made a savings or investment decision that is inappropriate to their needs on the basis of misleading information. Under the Insurance

Contracts Act, however, the insurance contract is considered to be in force to the effect understood by the policyholder on the basis of the information received.^(PR3)

At Tapiola, safety and care are included as elements in product and service development, research and development, marketing and coverage reviews. This principle is also a key element of our responsibility commitments to our customers.

The Tapiola Group and the Pirkanmaa Hospital District have signed an agreement on cooperation under which patients with a head injury from a road or other accident insured by Tapiola are always examined for brain injury, regardless of the level of severity of the case. This is the first ever agreement of this type between an insurance company and the public sector in Finland.^(EC8)

RESPONSIBILITY COMMITMENTS TO CUSTOMERS

1. Tapiola speaks its customers' language
2. Owner-customers to develop Tapiola's operations
3. The development of our products, services and investment activities is based on responsible conduct

We want to be Finland's most comprehensible financial house. We are committed to improving the quality, comprehensibility and clarity of our products and services as well as the transparency of our operations. See page x to read more about our efforts to promote financial literacy. We want our customers' voice to be heard in our products and services. We are committed to giving our owner-customers and other stakeholders more opportunities to take part in the development of our operations. See page 25 for customer participation.

We emphasise corporate responsibility in the development of our products, services and investment activities. This includes improving our own expertise in the evaluation and management of new risks as well as encouraging customers to make responsible choices by offering them options.

PRIVATE HOUSEHOLD SERVICES MAKING CUSTOMERS' EVERYDAY LIVES EASIER



*Group Director
Arto Jurttila*

Private household customers play a key role for the Tapiola Group. Private customers include households, agricultural producers and forest owners and self-employed persons. For example, the profitability of non-life insurance is entirely based on private customers. A total of two-thirds of our non-life and life insurance business volume and most of Tapiola Bank's lending is for private household customers. Large numbers of customers enable a business concept geared towards a comprehensive and responsible attendance to our customers' needs. Our online services have been improved to make our customers' everyday lives easier.

Responsibility is particularly visible in our free coverage reviews for household customers^(FS7), which involve a look into the scope and level of the customer's and their family's insurance cover and preparation for various events in life. Our serious illness cover is customer-oriented, with the compensation decision not based merely on the diagnosis but the customer's need for long-term treatment. Voluntary saving for retirement to supplement employee pension insurance and our product family for the 55+ age group provide more options for remaining independent while ageing.

CORPORATE SERVICES SUPPORTING OUR CUSTOMERS' SUCCESS



*Group Director
Antti Calonius*

Activity in the business world has been slowed down by the economic recession, which can be seen in Tapiola as a reduction in the number of claims. Profitability has improved and customer retention among major customers is at an excellent level. Uncertainties regarding our customers' financial situation will, however, make 2010 a challenging year. The industrial structure of Tapiola's customers means the corporate segment is seeing fewer cuts in volume during the recession than overall in the sector. Growth and sustainability are supported by a variety of projects and development measures.

In our service provision for corporate customers we seek to find products and solutions that boost our customers' operations. For example, our human resources solutions aim to make sure companies get good employees who enjoy working for them and stay with them. Our corporate customers can choose from a selection of risk management services such as voluntary HR risk solutions enabling corporate customers to implement their own social responsibility policies, the Employee Care Coverage scheme that supplements occupational health care, and statutory and voluntary environmental insurance products for environmental responsibility measures.

SAVINGS AND INVESTOR SERVICES FOR A VARIETY OF LIFE SITUATIONS



*Group Director
Jari Saine*

Despite a period of recession during which our customers' financial status has not been very conducive to savings and investments, Tapiola's asset management services have shown good performance. The number of fund customers increased, and 2009 was a profitable year for our investor customers. Our new Private Banking concept attracted interest among our customers, with many finding investment recommendations based on their own views highly appealing. According to a study, Tapiola Bank offers the sector's best services for customers who take advantage of service bundling, and we will continue to develop our comprehensive service concept on the basis of responsible conduct.

Responsibility is taken into consideration in policies for the fair design and sale of financial products^(FS15) and the grouping of the Group's services in categories according to customers' different life situations. In banking, savings and investment services the objective is to help customers achieve an understanding about issues related to their finances. To facilitate this, we have introduced technical tools such as the Your Finances section of our online banking services. This way we can provide people with assistance with the challenges they face in their everyday lives and retirement years. The entry into force of the Markets in Financial Instruments Directive (MiFID) has improved customer opportunities to assess players and services, and Tapiola employees who provide investment advice have been trained to comply with MiFID.

What role does responsibility play in Tapiola's customer services?

Product development guided by customer needs

For a company owned by its customers hearing customers' needs is a vital necessity while also being an opportunity to gain access to genuine user experience. Tapiola has a long tradition of customers or their representatives participating in product and service development. Customers or Advisory Committees representing them have participated in the development of mutual Tapiola's services since the 1960s. The Tapiola Bank was also established in response to customer needs and requests.

Customer satisfaction is measured on the basis of customer feedback, with feedback and ideas received from our customers systematically employed in product and service development. Consultations with customers are part of every development project regardless of its size. Examples of this include the development of Tapiola's online claims handling service in response to customer requests for speedier payment of medical ex-

penses claims. The future will see more and more aspects of our business handled online, which will help reduce the environmental burden by cutting the amount of paper used.

Efforts to improve financial literacy

Tapiola is also actively involved in consumer cooperation in the insurance sector. The aim is to show how insurance and banking products work and make it easier for consumers to compare insurance products on the basis of factors other than just price. Tapiola also promotes customers' financial literacy by organising events and participating in fairs and industry-wide advisory projects.

Tapiola Bank has been a visible participant in consumer policy debate since it was established. Its online services include an electronic account book that customers can use to monitor their income and expenses. Tapiola's banking services site contains the Financial Advisory, a section providing customers with advice about personal financial management, everyday money matters, saving and preparing for risks.

Twice a year Tapiola Bank also publishes an online financial review for its customers, examining the economic outlook from the consumer perspective. In 2009 issues revealed by questionnaires included consumers not planning their finances very far into the future despite a lack of confidence in the employment situation. Another survey assessed people's preparedness for rises in interest rates.^(FS16)

Customer research system revamped^(PR5)

The Tapiola Group's values and company form emphasise our customers' status as the foundation for all our activity. Our most important value – customers' benefit – places research activity and various forms of customer consultation in a strategically important role: we cannot succeed without a continuous understanding and systematic collection of our customers' experiences and needs.

Our research activity was revamped in 2009. We will continue to conduct traditional questionnaires, but we are also testing new methods and arenas of interaction with customers. During 2009 two customer communities (around 500 Tapiola customers) discussed specific topics and answered questions online on a closed community site. The everyday lives of our consumer customers were studied in a survey aimed at increasing our understanding as to which messages and services would

make Tapiola an even better financial-sector partner for them. Corporate and entrepreneur customers were approached as soon as they became our customers and also if they decided to end their customer relationship with us. The aim was to examine Tapiola's strengths and areas in need of development. General opinion surveys were also conducted to discover what people in Finland think about wellbeing at work or risks related to loans. Cooperation in this context took place with organisations including the Innovation Management Institute of the Helsinki University of Technology.

Alongside research, we hear our customers' opinions and wishes at Advisory Committees and through customer feedback. A decision was made in 2009 to introduce new tools to enable us to better collect unsolicited opinions from customers. Our employees have been encouraged to make notes of feedback and those in day-to-day customer service have been interviewed. We will continue to develop the collection and processing of customer feedback in 2010.

Tapiola's benefit programme praised

Tapiola's Omaetu is a benefit programme offering rewards for owner-customers. Customers' opinions were taken extensively into consideration in programme formulation, which contributed to Omaetu being chosen as the best customer loyalty programme of the year (see p. 7).

The programme covers all our private customers who have an existing agreement with Tapiola. Private customers comprise all households, agricultural producers and forest owners who use our products and services as private persons. Benefits are available on the basis of the extent to which they have bundled their financial issues with us. The benefits are based on the Tapiola service selection, which is divided into five sections: Property/home, Property/vehicles, Health, Day-to-day finances and Assets. The bigger the number of sectors used for products or services, the higher the benefit level.

Owner-customer discounts, bonuses and rebates enjoyed by private customers included benefit discounts, bundling discounts, service benefits and discounts granted via partners. Bundling discounts include the good driver bonus, farm quality bonus and banking services bundling and interest rate benefit. Service benefits include the emergency service and insurance card related to motor vehicle policies. Owner-customer benefits enjoyed by enterprises include the bonuses related to statutory accident insurance and employee pension insurance cover.

What kinds of financial advice does Tapiola provide?

How does Tapiola collect customer feedback?

Development of owner-customer benefits 2005–2009 (EUR million)

	2005	2006	2007	2008	2009
Tapiola General	67.0	76.7	83.0	81.0	82.5
Life insurance companies	16.7	22.7	35.9	9.7	9.8
Total	83.7	99.4	118.9	90.7	92.3

How is Tapiola developing customer benefits?

Tapiola Pension's customer bonuses and rebates (EUR million)

2005	2006	2007	2008	2009
21.0	18.0	19.6	12.7	18.6

Customer key figures 31 December 2009

- Workers' compensation pension received by 3,927 persons;
- disability pension under the Motor Liability Act received by 1,620 persons;
- various pensions paid by life insurance companies to 10,828 persons;
- pensions under the employee pension scheme 91,988 and under the self-employed persons' pension scheme numbered 22,885;
- persons insured under the employee pension scheme 221,504 and under the self-employed persons' pension scheme totalled 48,253;
- active wellbeing at work projects underway at 350 enterprises with a total of 25,000 employees.

These figures indicate the number of people on whose income continuity Tapiola has an impact.

Private customer households 2009

Age group	Number of households	% of households
-26	74 284	11%
27-39	150 355	22%
40-54	202 095	30%
55-	254 757	37%
Total	681 491	100%

The table presents Tapiola's private customers classified on the basis of the age of the head of household.

Who are Tapiola's customers?

Number of corporate customers

2007	2008	2009
17 777	17 852	17 931

Total number of customer relationships

(incl. Tapiola Bank's and Asset Management's customers)

2007	2008	2009
1 045 484	1 098 838	1 135 345



Regional organisation face to face with customers

Customer service at Tapiola's five regions takes place independently, with customer feedback always answered. Tapiola's sales organisation has specialists in serving corporate and private customers as well as providing financial advice. Coverage reviews and loan, savings and investment negotiations take place in our offices. Local service entrepreneurs and insurance agents are important sales and marketing channels for our insurance policies and financial services. Local services are based on franchising agreements, and agents operate as independent entrepreneurs under an agreement with us. Their contribution focuses on new customer acquisition, but care for their customers and strengthening customer relationships are also important aspects of their work.

In low-populated areas our customers have access to our network of agents, but most issues can be taken care of conveniently online or over the phone. Accessibility of office premises has been taken into consideration in construction and renovation. ^(FS13-14)

From equality to
diversity

Average age of our
employees

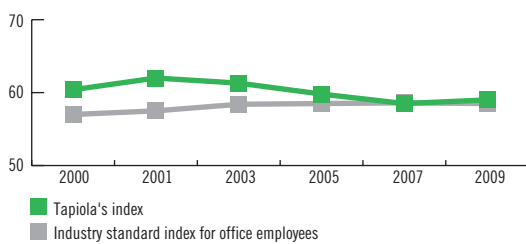
40.3

Employee turnover rate

4.0%



Employee satisfaction 2000–2009



Employee satisfaction has remained above the industry standard general index for office employees throughout the 2000s, excluding the rate for 2007.

Responsibility to employees

The employment rate dropped in Finland in 2009, with unemployed jobseekers accounting for around 9% of the labour force and the situation anticipated to get worse in 2010. The Finnish financial sector employs around 43,000 people, and the coming years will see a need for more employees, particularly in banking where very few new people have been recruited since the banking crisis of the 1990s. Tapiola Bank has, however, created new jobs.

Supporting the Tapiola Group business strategy, our personnel strategy was updated in spring 2009. Our personnel policy was formulated by a working group consisting of chief shop stewards, senior executives, regional organisation and personnel services staff. Policies and other guidelines regarding personnel issues are available to Tapiola employees on the intranet.

At year-end the number of Tapiola employees totalled 3,002 and the average age was 40.3 years. The average rate of employee turnover for permanent employees was 4.0%.^(LA2) From the beginning of 2008 employees working exclusively for Tapiola Pension only have an employment contract with Tapiola Pension. The average number of Tapiola Pension employees was 210 during the reporting period.



*HR Director
Sirpa Kaisanlahti*

One of the prerequisites for the Tapiola Group's financial success is our employees' commitment to their work and to continuous improvement of quality. To ensure confidential employer-employee relations, we engage in active and constructive dialogue with shop stewards and they are allowed sufficient time for the appropriate performance of their tasks.

Our responsibility commitments to our personnel emphasise the core issues of our personnel strategy.

RESPONSIBILITY COMMITMENTS TO PERSONNEL

1. We encourage responsible management
2. Everyone to promote corporate responsibility
3. Wellbeing at work gives balance to life

We expect supervisors to act responsibly in managerial work. Responsible management is included in supervisor training. Supervisors are encouraged to take an active approach to managerial work, and they are required to have an unbiased attitude to employees' work performance. This includes improving personnel competence and motivating and encouraging each one of them in responsible conduct.

We want every Tapiola employee to promote awareness of corporate responsibility at Tapiola. This is the only way to make responsibility an everyday issue in our work. This includes improving knowledge of responsible conduct so that all Tapiola employees know exactly what responsibility means in their job.

We are committed to improving Tapiola employees' wellbeing at work. This includes creating a good balance between work and leisure and promotion of diversity in the work community. (See p. 31.)

Incentive schemes and employee benefits

The performance-related pay (PRP) system is a key element in Tapiola's reward schemes that aim at supporting the achievement of our strategic and operational objectives through employee incentives and commitment. PRP targets can be either team-specific or personal, and their achievement is verified at performance discussions. The PRP component is up to 7% of the annual salary, but in practice the rate has averaged 4%. Sales personnel pay schemes include various PRP components, with their proportion varying from a few percent to approximately half of the total salary. In 2009 a set of criteria including those measuring responsibility were introduced to our management's performance-related pay indicators.

A profit-sharing scheme that pays a section of the company's profit to the personnel fund was established by the Tapiola Group in 1991. The scheme rewards long-term commitment to Tapiola and promotes the achievement of high performance targets. The amount of the profit bonus depends on the annual financial results of the Group and may be up to 3% of the employee's annual salary. The rate in 2009 was 0.8%. The criteria used are determined every year, and one of them is responsibility as experienced by customers. Profit bonus at a total of EUR 1.2 million was earned in 2009, and the total amount transferred to the fund during its existence so far is around EUR 25.7 million. In the 2000s a funds transfer has been carried out in full four times.

As well as the personnel fund, Tapiola's employee benefits include special tariffs for insurance premiums, special bank accounts and loan services, and supplementary pension accrual in addition to the statutory employee pension scheme^(EC3). A new personnel benefit is the Care Coverage policy taken out for our employees. It supplements our occupational health care services and provides extensive cover, including specialist treatment. Our occupational health care is responsible for preventive occupational health care

services. In addition to statutory services, Tapiola covers the costs of other health care such as certain specialist services and, if necessary, the services of an occupational psychologist or physiotherapist. Tapiola's employees have access to holiday cabins in three locations around Finland, and Tapiola's employee club offers a wealth of opportunities for leisure activity.

Personnel representation in governance bodies and participation

The Tapiola Participation Committee is the cooperation body for the entire Group. It handles all major issues related to personnel, with the aim of improving internal information flows and reaching common views.^(4.4) Tapiola Data has its own Participation Committee. Each of the Supervisory Boards of the insurance companies has an employee representative as a full member. Employees are also represented in the Management Groups of the various profit centres and regions as well as all key working groups. Our employees also participate in the drawing up of annual action plans.

As members of employers' associations, Tapiola Group companies comply with the collective agreements of the insurance and financial services sectors signed by the Union of Insurance Employees in Finland, the Trade Union Suora and the Federation of Professional and Managerial Staff. It not possible to produce a reliable figure of the proportion of unionised employees because only banking and insurance sector union contributions are deducted directly from salary and Tapiola also has a lot of employees who belong to organisations outside the sector and those based on educational background.^(LA4)

Occupational health and safety

Finland has comprehensive occupational health and safety legislation. Trade unions participate in legislative drafting and, where necessary, acts of law are supplemented with collaboration agreements. At Tapiola labour protection activity is nationwide and applies to every employee. The Tapiola Group has two Labour Protection Committees, which function as cooperative bodies in health and safety issues. Tapiola Data has its own Labour Protection Committee, and the Tapiola Group's Labour Protection Committee handles the health and safety issues of other Group companies' employees.^(LA6)

Pay discussions took place in accordance with the collective agreements

The first pay rounds in accordance with the collective agreements of the insurance and financial services sectors took place in autumn 2008 and spring 2009. These discussions seek to achieve pay levels and pay development that are fair and provide incentives. In the Tapiola Group negotiations take place with all those covered by a collective agreement and also with department managers and other employees comparable with them. Therefore those included in the managerial agreement and field representatives' agreement are not covered by the model. Tapiola Data applies the same policies as Tapiola in this but it has its own pay rounds working group and local agreements.

In 2009 Tapiola employees had 78 occupational accidents, with the figure including those that took place during work-related travel, which accounted for the majority of the accidents, i.e. 66%^(LA7). The incidents were mainly falls and cycling or car accidents.

Activity towards increased wellbeing at work aims to promote coping, increase productivity and reduce ill health and premature retirement. The steering group for wellbeing at work consists of employee and management representatives. The theme for 2009 was competent joint responsibility. Wellbeing at work reports are submitted to Group executives and the executives of individual companies and units.

Introduced in 2009, the Tapiola Group Participation Committee is a Group-wide collaboration body that handles all major issues related to our personnel, with the aim of improving internal information flows and reaching agreed views.^(4.4) Tapiola Data has its own Participation Committee. Each of the Supervisory Boards of the insurance companies has an employee representative as a full member. Employees are also represented in the Management Groups of the various profit centres and regions as well as all key working groups. Our employees also participate in the drawing up of annual action plans.

Sick leaves,% of target working hours^(LA7)

Year	%
2006	4.34
2007	4.36
2008	4.40
2009	4.53

Diversity and equality^(LA13)

Work to promote diversity and equality at Tapiola aims to advance non-discrimination and sustainable social responsibility in our relations with employees, customers and stakeholders. Extending our equality work to diversity is a necessary change as we must be able to better respond to new customer needs and challenges. Diversity is a broad perspective that affects our functions and aims to ensure the equal treatment and equal rights of all stakeholder groups. Our objective for 2010 is to make diversity a natural and transparent part of Tapiola's operating culture, personnel policy, products and services.

In spring 2009 our Diversity Working Group drew up a diversity plan and incorporated it into our corporate responsibility strategy. The human resources objectives include ensuring access to competent employees and employee commitment and wellbeing at work through the promotion of equal opportunities and inclusion. Other objectives include the realisation of equality in recruitment, career progression and rewards. Responsible, fair management is emphasised, and so is supervisors' ability to utilise employees' diversity of views, competences and needs. Equality as experienced by our customers and other stakeholders is promoted systematically through products, services and customer satisfaction. Our aim is to take the various life situations, family types and backgrounds into consideration in service and product development. We also wish to increase the physical, language and other accessibility of our services. Diversity issues are included in managerial training and online courses. Equal treatment is also supported by our new pay discussion model and operating models for the promotion of wellbeing at work.

How does Tapiola look after its employees' wellbeing at work?

Breakdown per category by gender 31 December 2009^(LA13)

		Male	Female	Male	Female	Total
Under 30	Senior management	–	–	–	–	–
	Middle management	33.3%	66.7%	1	2	3
	Specialist	47.4%	52.6%	65	72	137
	Other personnel	20.6%	79.4%	87	335	422
Total under 30		27.2%	72.8%	153	409	562
30 to 50	Senior management	51.1%	48.9%	24	23	47
	Middle management	61.7%	38.3%	92	57	149
	Specialist	46.4%	53.6%	341	394	735
	Other personnel	22.7%	77.3%	175	597	772
Total 30 to 50		37.1%	62.9%	632	1 071	1 703
50+	Senior management	75.0%	25.0%	27	9	36
	Middle management	65.9%	34.1%	27	14	41
	Specialist	43.0%	57.0%	125	166	291
	Other personnel	14.1%	85.9%	52	317	369
Total 50+		31.3%	68.7%	231	506	737
Total		33.8%	66.2%	1 016	1 986	3 002

Women account for 39% of Tapiola Group executives (including regional executives), 16% of Board members (Tapiola Pension 4 women, Tapiola Real Estate 3, others none) and 23% of Supervisory Board members (Tapiola General 17%, Tapiola Pension 4%, Tapiola Life 69% and Tapiola Corporate Life 13%). At year-end 2009 women accounted for 38% of middle managers.



Online studies have been part of the programme at the Tapiola Group since 2002 and are an established and popular practice today. Around 80% of our training provision takes place online, says Training Manager Ritva Uusitalo, who is in charge of online learning.

How does Tapiola help build its employees' competences?

Competence development

Employee competence development has a focus on supporting leadership and managerial work and ensuring professional competence and compliance with agreed policies and methods. Key issues in the development of professional competence are providing support to customer competence in the online environment and improving competence in our business processes. Online courses are available on topics such as product competence, strategy, managerial work, mutuality and customer benefits, with 27 course titles offered and a total of 4,540 courses completed in 2009.

We offer our employees diverse opportunities for development and learning, including on-the-job learning, professional qualifications, and mentoring. Job rotation and scholarship-based studies are also supported. Taking qualifications on an independent study basis has a long tradition at Tapiola. Each year almost 200 Tapiola employees study to

take the Insurance Examination, with 713 qualifications completed in all so far and 48 in 2009. In recent years Tapiola employees have accounted for 40–50% of those signing up for the qualification programme. The Advanced Insurance Examination has been taken by 34 of our employees.

In 2009 we reformed our leadership and management training and provided support for the day-to-day managerial work of our supervisors through measures including training tailored unit-specifically. Managerial and other employees also received training in the application of the equal treatment model. Cooperation with the Eurapco's Human Resource group has been active and produced good European practices for human resources development.

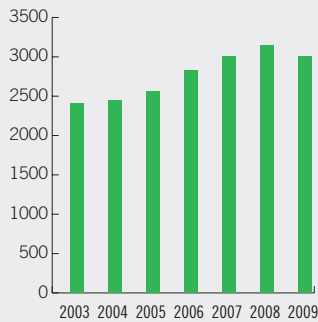
Employee training days 2009 ^(LA10)

External training days	In-house training days	Total
3 389	1 823	5 212

Employees by type of contract (all personnel)^(LA1)

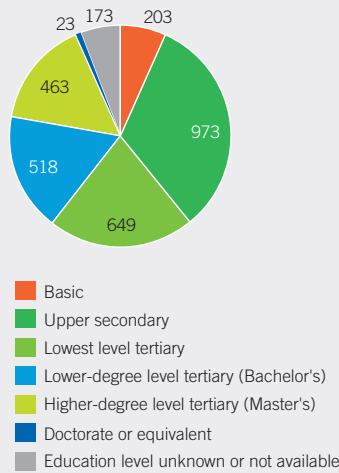
Full-time	PERMANENT		Full-time	FIXED-TERM		TOTAL
	Part-time	Hourly-paid		Part-time	Hourly-paid	
2 457	233	7	140	5	160	3 002

Tapiola Group

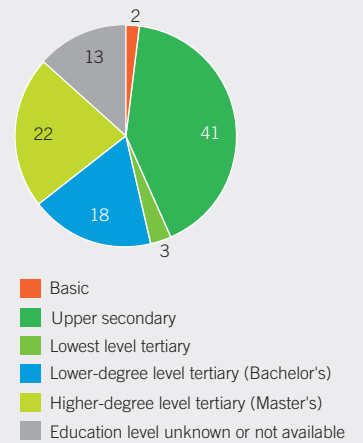


Development in employee numbers^(LA1): there has been a slight decrease attributable mainly to natural attrition.

Tapiola Group's active employees by education

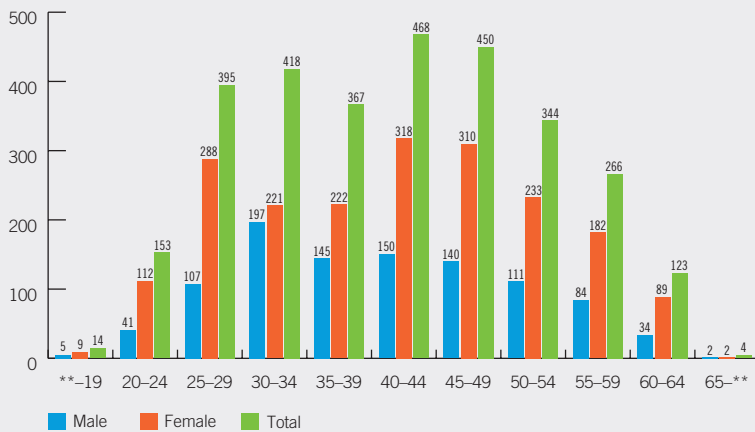


Those recruited in 2009 by education

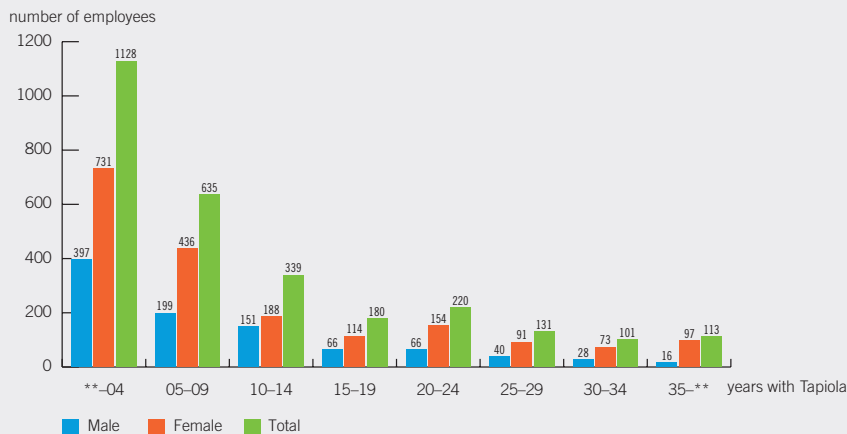


Under-30s account for a little under one-fifth and those in the 55+ age group for 13%.

Active employees by age group 31 December 2009



Years of employment of Tapiola Group's active employees by gender



Almost 40% of Tapiola personnel have been employed by Tapiola for four years or less. In all 34% of employees are men and 66% women.



Tapiola's roles in society



Finnish Red Cross
the main sponsorship
partner

Employee Christmas
present funds
donated to charity

Social responsibility

The turmoil in the financial market has emphasised the role of ethics and responsibility in society. The roles of the Tapiola Group include those of employer, investor, taxpayer, construction developer, lessor and partner. Active participation in the development of our own sectors and the economy in general as well as in the representation of the interests of mutuality constitute part of the Tapiola Group's responsibility for the future.

Financial services have major impacts in society

Insurance and financial services create social stability and enable economic activity by offering sensible tools for risk protection. In Finland pension insurance companies play an important role in society by providing statutory pension insurance services. They also offer the opportunity to supplement social security cover, increase wellbeing and prepare for environmental damage with voluntary insurance policies. The environmental impacts of our products and services are covered under 'Environmental responsibility' (p. 40).

From the customer perspective economic responsibility to a large extent also entails social respon-

sibility. Social issues are therefore always present in our risk management processes, but the direct environmental impacts of a service business are so limited that environmental risks have so far played a minor role in our operating policies. Indirect impacts via, for example, our customers can be very high, but these are difficult to pinpoint.

Tapiola's responsibility commitments to society display our commitment to the promotion of responsibility.

Commitments

Tapiola has signed up to the ICC Business Charter for Sustainable Development. Tapiola's head office

COMMITMENTS TO SOCIETY

1. Tapiola is an active influencer on the values of corporate responsibility
2. Tapiola is a promoter of responsibility in society
3. Well-established business operations support social stability

Responsibility requires someone to show the way. Tapiola wants to continue active participation in social discussion (p. 36). We undertake to take the initiative as a party that influences the values of corporate responsibility, and we want to promote the development of value-based business competence at university level.

Tapiola is committed to promoting financial literacy in society (p. X). We take part in national and international stakeholder cooperation and development projects that promote responsible conduct.

Insurance and banking businesses have a significant effect on society and people's everyday life. Tapiola is committed to taking care of social stability by keeping its operations profitable and financially sound. This requires systematic, long-term financial activity and efforts to anticipate changes in society and to maintain the working capacity of Finns.

has adopted the Green Office Environmental Management System of the World Wildlife Fund (WWF). Tapiola Pension, Tapiola Real Estate and Tapiola Asset Management have also signed the UN Principles for Responsible Investment (UN PRI).^(4.12)

Services designed to deliver a specific social benefit

The state has traditionally carried a major responsibility for citizens' social security in Finland. The purpose of social security and taxation, which provides its funding, is to even out income distribution between social classes and age groups, but recent years have witnessed increasing debate about supplementing public services with private ones. Population ageing is beginning to burden the capacity of public services. One component of social security is social insurance, which includes statutory employee pension insurance, health insurance and the earnings-related component of unemployment insurance, but it can also be regarded to include statutory insurance cover obtained from insurance companies, such as workers' compensation insurance and person-related compensation under motor liability insurance policies.

Affordable basic banking services alone can be regarded as those that deliver a social benefit as access to banking services is essential in Finland.^(FS7) Initiatives to improve access to services for disadvantaged people^(FS14) have been introduced in conjunction with office design and renovation.

Influencing and interest representation

The mutual Group's interest representation normally takes place through organisations advocating the interests of the sector in Finland and internationally. Dialogue with political decision-makers is also maintained.^(S05)

Tapiola Group companies are members in practically all organisations in the industry.^(4.13) The Group is also a member of the Central Chamber of Commerce and the International Chamber of Commerce (ICC). Tapiola participates actively in social responsibility actions of Finnish and international organisations. At Board level Tapiola is represented in organisations including the Federation of Finnish Financial Services, construction and property sector organisations, fire and rescue service organisations, European Business Ethics Network (EBEN) Finland and the Finnish Cultural Foundation. Tapiola recommends that its representatives provide a contribution to society in a balanced manner, both as the giving and receiving party.

Tapiola's cooperation with international organisations of mutual companies is intensive. Our representatives are actively involved in working groups of the Association of Mutual Insurers and Insurance Cooperatives in Europe (AMICE) and the International Cooperative and Mutual Insurance Federation (ICMIF), with President Asmo Kalpala acting as President and Chair of the Board of AMICE.

Tapiola has a representative in the environmental working groups of the Confederation of Finnish Industries (EK) and the Federation of Finnish Financial Services (FK). Director **Anu Pylkkänen** is an expert member of the Committee on Social and Corporate Responsibility of the Ministry of Employment and the Economy and **Hanna Hiidenpalo**, Director, Investment Services, Tapiola Pension, a member of the Advisory Council on Responsible Investment of the Church Council of the Evangelical Lutheran Church of Finland. Asmo Kalpala is the deputy chair of the Financial Committee and member of the Social Forum of the Evangelical Lutheran Church and member of the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) and the International Association for the Study of Insurance Economics, the Geneva Association, formed by around 80 CEOs from the most important insurance companies in the world. The Association's main goal is to research the importance of worldwide insurance activities in all sectors of the economy.

The President of Finland awarded Director of Financial Services **Markku Paakkanen** an honorary title for his merits in the insurance sector and five other Tapiola employees received decorations and medals on Finland's Independence Day. Tapiola employees have also been recognised by stakeholders for exemplary cooperation. The ProAgria Association of Rural Advisory Centres awarded its golden medal of merit to Tapiola Marketing Manager **Jukka Saastamoinen**, President **Asmo Kalpala** received a medal of merit from Finland's War Veteran Association while Contact Director **Pia Blom-Johansson** was awarded the silver medal of merit by the Board of the Equestrian Federation of Finland.

The Tapiola Academy discussed society's, enterprises' and individuals' responsibility for wellbeing

Tapiola also contributes to societal debate by organising 'Tapiola Academy' discussion events, with the one in September 2009 providing plenty for experts and stakeholders to talk about. Organised for the second time, the theme of the 2009 Tapiola Academy was to discuss who is responsible for

people's coping in Finland and what are the roles of society, enterprises and the individual in this.



Participants invited by Tapiola were (pictured from the left) author and politician **Osmo Soininvaara**, Managing Director **Marko Parkkinen** and philosopher **Alexi Neuvonen**, with Director **Marianne Heikkilä**, Stakeholder Relations and Fundraising, of Finn Church Aid chairing the panel.

The Tapiola Academy is organised by the Tapiola Group's External Relations and Corporate Social Responsibility unit. The aim is to inspire public debate and generate new ideas, particularly about social responsibility and responsible conduct in business, and another Tapiola Academy is being planned for 2010.

Sponsoring and donations on the basis of responsibility criteria ^(EC1)

We select those we sponsor on the basis of responsibility criteria. Principal partnership with the volunteer friend visitor service of the Finnish Red Cross is the biggest sponsorship project in Tapiola's history. Tapiola is also committed to a three-year project with the Finnish Association for Nature Conservation aimed at encouraging people in Finland to actively explore the natural environment and to learn about it under the theme Discover Nature Near You. Other examples of major sponsorship include Espoo Museum of Modern Art (EMMA) and a valuable violin for a concertmaster of Tapiola Sinfonietta chamber orchestra. We are continuing to support the Lake Matalajärvi conservation project in Espoo as well as the Family Federation's website providing support to families with teenagers. In 2009 Tapiola Group spent around EUR 268,000 on sponsorship.

A reasonable sum of Tapiola's annual profit is transferred within the framework laid down by the Insurance Companies Act to the contingency reserve of the Boards of Tapiola's insurance companies for donations made for public benefit. The main recipients were the friend visitor service of the Finnish Red Cross, the Finnish Association for Nature Conservation and the Women's Bank fund of Finn Church Aid. The funds that otherwise would have been used for our employees' Christmas presents were donated to

three charities, with employees deciding their respective shares. This resulted in EUR 30,000 being split almost evenly between Suomen Senioriliike, an NGO promoting the status of the ageing, Finn Church Aid and the Green Flag programme of the Finnish Association for Environmental Education.

Hundreds of pairs of glasses sent to Kenya

Tapiola staff got together almost 500 pairs of glasses that were sent to Kenya as part of the World Vision Finland regional development programme. Staff from the Cazze chain of opticians determined the lens strengths and donate the pairs of glasses to those in need of them. The idea to participate in this campaign came from employees.

Regulatory and contractual compliance

Our principle at Tapiola is to go beyond the statutory requirements, so compliance with legislation, regulations and commitments is self-evident for us.^(4,12) We follow amendments to legislation closely and make efforts to contribute our own views during the drafting process.⁽⁵⁰⁵⁾ We keep our organisation informed of reforms in financial legislation through training and our intranet. We have particularly specific instructions on the processes to be taken to prevent insurance fraud and combat the underground economy.

In addition to legislation, regulations and good insurance, banking and business practices governing the provision of insurance and financial services, insurance and banking secrecy are important obligations that apply to every Tapiola employee. Written instructions on non-disclosure, our safety and information security policy and related instructions, general guidelines for insurance and claims handling, as well as regulations on disqualification and insiders and other basic instructions are available to our personnel on the Tapiola intranet. Tapiola's policy on corporate entertainment and participation in events of other organisations is also laid down under specific guidelines. These policies and related instructions are available on the intranet. New employees are introduced to their content and practical application during their induction process, with supervisors and managers assigned the duty of monitoring compliance.

Tapiola General received four complaints from authorities about unnecessary delays in claims handling, and major efforts were made during the year to improve the situation. No other complaints from authorities were received.

Who receives sponsorship and other support from Tapiola?

No actions were brought against companies in the Tapiola Group over financial offences. No complaints regarding the general operating model for product information or sales leading to official sanctions were received either. Individual cases of failure to provide information as required by the Insurance Contracts Act are handled as part of internal processes. The quality of claims management is monitored on the basis of cases handled by the Insurance Complaints Board and courts of law.

Claims in civil matters brought against Tapiola are almost without exception to do with disputes regarding insurance compensation, with no financial offence involved. Most criminal proceedings with Tapiola as a party are related to the right of application for re-trial in cases where Tapiola has paid compensation to customers who have been victims of crime. Every year there are cases where policyholders, insured parties or banking customers are suspected of fraud or attempted fraud against Tapiola. In such cases we submit a request for criminal investigation to the Police.

Customer complaints as an indicator of quality

The Finnish Insurance Complaints Board is a body of the voluntary consumer protection organisation of the insurance sector. Tapiola uses its recommendations as a guideline when developing its own guidelines for claims handling. We employ the percentage of cases where the Board has changed a decision in favour of the customer as one of the quality indicators in our claims handling. We investigate the reasons behind any unexpected rises in the rate and take the necessary corrective action. In 2009 the Finnish Financial Ombudsman Bureau received only 12 contacts by Tapiola Bank's customers regarding banking issues, while the total number of cases handled by the Bureau regarding specifically named banks was 1,208. Another two cases regarding securities were also connected with Tapiola.

There are also specific appeals bodies for compulsory insurance claims.

Tapiola at the Finnish Insurance Complaints Board 2005–2009, rates of changed claims settlements (%)

Company	2005	2006	2007	2008	2009
Pohjola-OP	25	33	34	29	23
Sampo-If	28	32	33	32	28
Tapiola	26	28	29	32	24
Total	30	32	34	34	34

The table presents the total rates of changed insurance claims settlements for each group of companies. The figures for Pohjola-OP include Eurooppalainen and A-vakuutus.

Rates of changed settlements at the Employment Accidents Appeal Board 2005–2009, claims settlements for statutory accident insurance

Company	2005	2006	2007	2008	2009
Pohjola-OP	7	9	10	9	10
Sampo-If	14	11	11	11	10
Tapiola	9	12	10	11	7
Total	11	10	10	10	10

The Employment Accidents Appeal Board is an independent appeal body established by the Finnish Government.

The Pension Appeal Board decided appeals against Tapiola Pension in 9.7% of the cases, while the corresponding rate for the private sector as a whole was 11.1%. The Insurance Court decided 12.3% of the employee pension insurance cases against Tapiola Pension, while the rate of change was 18.6%. The total rate of change in all employment pension cases handled by the Court was 18.5%.

Interaction with partners from the responsibility perspective ^(4.16)

We seek to find partners whose values are similar to ours. Most interaction is associated with social responsibility issues, but environmental responsibility is also emerging as a topic of interest among our stakeholders.

Tapiola's procurement policy requires that the goods and services we purchase are of high quality and promote sustainable development. Tapiola's network cooperation aims to create benefit for mutual customers and boost Tapiola's performance.

During the year there was a lot of public debate about election campaign funding, which resulted in customers making inquiries about Tapiola Pension's participation in political parties' fundraising seminars. The Tapiola Group's policy is that participation in seminars is allowed if the programme is professionally useful and the fee is paid under training costs. ^(4.17)

How does Tapiola operate with its stakeholders?

Stakeholder interaction ^(4.14)

	Stakeholder	Expectations	Interaction method	Measures/Results
Customer relationship	Owner-customers	Solvency, good reputation, reliability, caring, active communication, good value for money, convenient services, document comprehensibility, plain language	Research, customer satisfaction surveys, customer feedback, customer information, customer magazines, customer panels, development projects, the extranet, including for Advisory Committees	Consultation with customers, new services, good reputation, reliability
	Agents, representatives, franchisees	Close interaction, good prerequisites for agency, appropriate fees, good training and reputation	Advisory Committee on Agency, training, Local Services Cooperation Group, questionnaires, reporting, publications, intranet	Reliability, shared success
	Compensation cooperation: Lassila & Tikanoja, Inspecta, Elotec Finland Finnish Loss Survey SVT Ltd	Appropriate business approach, good reputation, fair play, reliable partnership, high liquidity, capacity for business growth	Cooperation situations, negotiations, information, reports, consultations, publications	Reliability, new services, good reputation
	Expert network: in the financial sector, in agriculture and forestry	Appropriate business approach, good reputation, fair play, reliable partnership	Cooperation situations, negotiations, information, reports, consultations, publications	Reliability, new services, good reputation, new cooperation ideas
	Competitors and partners, organisations in the sector (incl. international)	Appropriate business approach, good reputation, fair play, capacity for cooperation where necessary	Organisational activity in the sector, conferences and meetings, joint projects, publications, reports	Reliability, new services, good reputation, best practices
	Corporate customers' employees, compensation and pension recipients	Reliability, document comprehensibility, good reputation, convenient services	Compensation activity, product information, marketing	New owner-customers, good reputation
Personnel	Personnel groups	Responsible and consistent operations seeking to secure jobs and improve job satisfaction and good managerial work	Succeeding together, the Status of the Team study, TAOS*) and the entire personnel's participation system, working groups, development projects, training and development	Utilisation of work atmosphere survey results in development work, better managerial work, wellbeing at work, employees' Care Coverage
	Training experts (consultants, purchased services)	Appropriate business approach, good reputation, fair play, reliable partnership	Cooperation situations, negotiations, information, reports, consultations, publications	Improved competence, good reputation, shared success
	Workplace health promotion experts (consultants, purchased services)	Appropriate business approach, good reputation, fair play, reliable partnership	Cooperation situations, negotiations, information, reports, consultations, publications	Shared success, good reputation
Society	Public decision-makers and authorities	Responsible operations as a company, employer, taxpayer and influencer, clear operating principles, reliable reporting and open interaction	Regular discussion contacts with most parties in society, research, information, Tapiola Academy	Reliability, participation, interest representation, networking
	Business life and labour market organisations	Responsible operations as a company, employer, taxpayer and influencer, clear operating principles, reliable reporting and open interaction	Research, Entrepreneur's Evening School, working groups, negotiations, seminars, Tapiola Academy, publications	Shared success, networking, reliability
	Consumer and civil society organisations	Responsible operations as a company, employer, taxpayer and influencer, clear operating principles, service quality, reliable communications, openness	Customer service survey, Consumer Forum and other meetings, cooperation groups, publications	Reliability, good reputation, networking, shared success
	The media	Honesty in communications, openness, speedy service and accessibility of relevant persons	Financial Journalists Survey, meetings, publications, press releases, media monitoring	Reliability, good reputation
	Education and research institutions	Responsible operations, good cooperation, expertise, support	Cooperation, student visits, lectures, publications, Master's thesis and PhD dissertation supervision	Research applicable in business life, with empirical data from Tapiola, the Mutuality book, joint projects, good reputation
	Sponsorship recipients	Responsible operations, good cooperation		Shared success, good reputation
Environment	Subcontractors, suppliers, service providers	Reliable partnership, high liquidity, prerequisites for business growth	Cooperation negotiations, environmental and security requirements	Reliability, good reputation, cooperation projects
	Local communities	Responsible operations and constructive influence in the area	Customer service survey, Advisory Committee feedback	Reliability, good reputation, cooperation projects
	Environmental organisations	Responsible operations as an enterprise, property owner and constructor	Seminars, meetings, feedback, cooperation projects	Green Office

*) The Tapiola Participation Committee

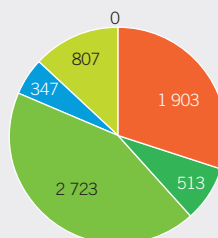
The table is constructed on the basis of the four corners of Tapiola's responsibility commitments.



90%
of head office waste
recovered

Paper consumption cut by
12%

The CO₂ profile of Tapiola's head office function (tonnes of CO₂)



- Electricity consumption
- Heat consumption
- Business travel, by car
- Commuting
- Letter deliveries
- Paper consumption

Environmental responsibility

The most important direct environmental impacts of the Tapiola Group's activities arise from energy consumption of property owned by us, construction development, travel, procurement, paper consumption and waste production. We seek to minimise our indirect environmental impacts through investment policies and loss prevention work. ^(EN26)

For us at Tapiola environmental responsibility means efforts to implement the principles of sustainable development in all of our activities. This is manifested in responsible and sustained work and the pursuit of continuous improvement. The Tapiola Group's environmental work is guided by the Group's environmental policy. Our commitments to the environment decide the way we take environmental issues into consideration in practice. Our

environmental commitments have been adopted by the Boards of our Group companies, which is proof of a strong will among our senior executives to address environmental issues.

Environmental commitments make the Group's shared target level for environmental management concrete. Tapiola's environmental programme for 2010–2012 sets the objectives and measures for

How does Tapiola look after the environment?

RESPONSIBILITY COMMITMENTS TO THE ENVIRONMENT

1. Less burden on the environment and climate
2. More emphasis on the management of environmental risks
3. We take part in the discussion on climate change

We are committed to reducing our impact on the environment and climate. This means that we will have to find ways for reducing Tapiola's carbon footprint. We will increase online services, develop eco-efficient methods and encourage our customers to act responsibly. We will develop responsibility criteria for our purchases.

We are committed to improving the management of new environmental risks together with our stakeholders: the management of environmental risks requires better expertise and networking in order to be able to better anticipate the needs of loss prevention and risk management.

All of us will feel the impacts of climate change in our work. Adapting to it and efforts to decelerate it require that Tapiola as a risk management professional will engage in environmental communication and guidance to its personnel, customers and stakeholders. Tapiola participates in internal and public discussion on climate change.

the implementation of our environmental commitments. Our plans for 2010 include the provision of new online services for our customers, drawing up environmental criteria for product and service procurement, cutting down the use of paper within the Group and preparations for the Green Office audit of the new Tapiola building. Each Tapiola employee is expected to take environmental issues into consideration in their work and participate in the continuous improvement of our operations in accordance with our environmental objectives. Employee training in environmental issues and enhancement of environmental awareness mainly take place in the context of induction of new recruits and in-house electronic communications.

Areas covered by the Tapiola Group's environmental activities are advisory and risk management services related to customers' environmental risks, environmental issues involved in real estate and investment operations, and office work within Tapiola. Tapiola General Group is responsible for environmental insurance and risk management and Tapiola Real Estate for property-related environmental issues, while Tapiola Pension, Tapiola Asset Management and Tapiola Real Estate are responsible for investment activity.

At Group level responsibility for environmental issues is assigned to the External Relations and Corporate Social Responsibility unit, with Anu Pykkänen as the Director responsible for this field. Tapiola has an Environmental Team that coordinates and prepares environmental activities, with supervision and monitoring taking place in the line organisation and within the Group's normal planning, management and monitoring system. Issues related to our environmental work are communicated and environmental awareness maintained mainly through the intranet and the Tapiola personnel magazine. The environmental pages of our intranet provide information and practical guidelines related to environmental activity. We also want our employees to participate in operational development, and environmental responsibility is part of the induction programme for those joining Tapiola.

Tapiola's head office functions have adopted the Green Office Environmental Management System of the World Wildlife Fund (WWF), which further emphasises the role of regular information provision about environmental issues. Environmental issues have been discussed extensively by our working groups in the context of the project to make responsibility concrete in our operations.

Tapiola participates in environmental projects

Tapiola sponsors the national Discover Nature Near You project of the Finnish Association for Nature Conservation, with 53 excursions to interesting local sites organised in the regions attracting a total of 2,174 participants. In the Lake Matalajärvi conservation project in Espoo Tapiola sponsors measures that so far have managed to halt the overgrowth of the lake and improve water quality. Part of the funds reserved for employees' Christmas presents in 2009 were donated to the Green Flag sustainable development education programme for day care centres, schools and other educational institutions run by of the Finnish Association for Environmental Education. At our central Helsinki 'T Moment' service point environment-themed events were organised in cooperation with actors including the Finnish Association for Nature Conservation and the campaign to promote cycling in Helsinki. In other regions we have also cooperated with nature conservation associations in contexts such as clubs and courses.

Tapiola participates in the financial sector's environmental work through working groups of the Federation of Finnish Financial Services and the Confederation of Finnish Industries. We also take part in the TOLERATE research project which examines the impact of climate change on extreme weather events and adaptation measures required in Finland.

Environmental responsibility in customer services

Tapiola provides corporate customers with mutually agreed risk management and loss adjustment services. The objective of systematic risk management is to secure the continuation of operations without disruptions. Risk assessments and systematic risk management can help a company reduce and even eliminate risks detected. Tapiola insurance cover against environmental damage is available under property and liability policies and soil insurance and environmental liability policies that can be taken out as supplementary cover to these. Tapiola has participated in the Renewable Energy Working Group of the alliance of independent European financial service companies Eurapco to develop insurance products for wind power. The generation of wind power is anticipated to increase in the near future in Finland too.

Household customers can see Tapiola's concern for the environment most concretely in reductions in the amount of postal items and paper received. Our Group is investing in the development of electronic services, online invoicing and other paper-free product and service solutions. Our aim is that

80% of claims handling will take place electronically by 2010. June 2009 saw us launch a project to make insurance mail electronic with a view to providing our customers with a paper-free service where they can access current printouts via an on-line service. We encourage our customers to start using electronic services.

A key issue regarding climate change is to make efforts to prevent incidents such as fire damage as these cause considerable carbon dioxide emissions. In addition to risk management competence, our risk managers have special expertise in fire safety, premises security, construction defects, occupational health and safety, various liability and contractual risks, business interruption risks and information security.

Efforts are also made in post-accident measures and repairs to find sustainable solutions from the environmental perspective. We cooperate with the Finnish Red Cross to recycle goods involved in insurance events, with all the products submitted by us sold at recycling shops run by the Red Cross and therefore accruing the amount of funds we allocate to aid activity. The value of products sold in 2009 totalled EUR 2,480 (March to December).

Tapiola Bank's operations are as a rule conducted on a paper-free basis, which reduces the environmental burden caused by paper consumption and postal deliveries. The bank's customers receive almost 2 million electronic account statements a year, and around 70% of agreements are concluded electronically. Tapiola Bank is developing its processes further to be able to offer its customers even better opportunities for electronic and paper-free transactions. The bank's credit policy rules out lending for projects that pollute the environment.

In August 2009 Tapiola launched a new term deposit with guaranteed interest rate, with its yield linked to the share price development of three companies operating in the climate sector. This product was developed on the basis of increasing knowledge about climate change and a desire to invest in cleaner energy. The product was available for purchase for two months and the deposit term is two years. The total monetary value of products and services designed to deliver a specific environmental benefit is, however, low.^(FSB)

The most important environmental impacts of Tapiola's real estate operations arise from the maintenance of premises and investment property managed by Tapiola Real Estate as well as the use, maintenance and construction of premises used

by Tapiola. Issues emphasised in Tapiola Real Estate's environmental programme include not only lifecycle management but also cooperation with customers. The aim is to continuously reduce the environmental impacts of the company's activity and the real estate administered by it.

Energy efficiency and environmental issues are paramount in construction projects. The design of new properties is guided by the 'Promise E' environmental classification that addresses the environmental risks, natural resource consumption, ecological impacts and construction impacts on user health arising from construction. We are currently also exploring the opportunity to introduce the Leadership in Energy and Environmental Design (LEED) environmental certification at certain properties. Tenants are also provided with information about their property's energy and water consumption and the CO₂ emissions caused by property use.

Environmental issues were taken into consideration in building design and construction, with attention



Our new head office building has office premises on six floors, with most of these based on an open-plan design that also features separate premises for breaks, negotiations, project work and silent rooms.

paid to issues such as energy consumption, materials, spatial design and user functionality perspectives. Another improvement from the old head office is that the building has a heat recovery system. The premises are divided into lighting areas operated under time control, with energy-saving lamps and LED used in the lighting scheme. Construction materials and building technologies have been selected with a view to maximising building life. The premises are also adaptable to different uses.

Energy and water consumption

Key energy and water consumption figures related to properties owned by Tapiola are monitored with regard to office and business premises, which account for around two-thirds of the real estate administered by Tapiola Real Estate and have a total

volume of 3,621,585 m³. In 2009 these consumed 19.9 kWh/m³ of electricity, 26.8 kWh/m³, of heat and 58.9 litres/m³ of water. The cuts in the relative consumption figures are attributable to issues including changes in the property stock and increased and more specific monitoring of consumption^(EN3-4). Improved monitoring has also enabled improvements in measures such as the identification of leaks in plumbing fixtures.

Tapiola Group's head office operations were located in seven buildings in Espoo in 2009. Of these, the consumption data for the head office is also monitored separately, with the aim being to curb the increase in electricity and heat consumption and reduce water consumption by an annual 1% per person between 2007 and 2009 in the head office building. Heat consumption increased by

Electricity, heat and water consumption of office and business premises owned by Tapiola 2007–2009

Office and business premises	2007	2008	2009	Change, % 2007–2009
Total volume m ³	2 366 550	3 679 424	3 621 585	53.0
Heat, MWh *)	69 949	95 532	97 179	38.9
Heat, kWh/m ³ *)	29.6	26.0	26.8	-9.2
Electricity, MWh	51 377	82 409	72 004	40.1
Electricity, kWh/m ³	21.7	22.4	19.9	-8.4
Water, m ³	157 672	227 105	213 201	35.2
Water, l/m ³	66.6	61.7	58.9	-11.6

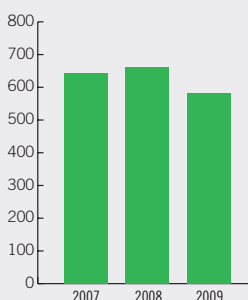
*) Weather-corrected heat consumption.

Heat, electricity and water consumption of the head office building 2007–2009

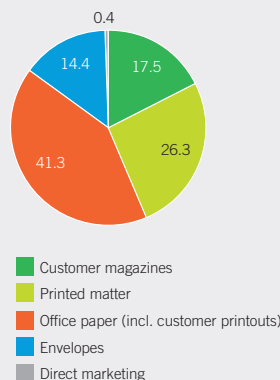
Head office building, Total volume 128 000 m ³	2007	2008	2009	Change, % 2007–2009
Heat, MWh *)	3 016	3 021	3 155	4.6
Heat, kWh/m ³ *)	23.6	23.6	24.6	
Electricity, MWh	5 906	6 037	5 869	-0.6
Electricity, kWh/m ³	46.1	47.2	45.9	
Water, m ³	13 363	19 731	14 037	5.0
Water, l/m ³	104.4	154.2	109.7	

*) Weather-corrected heat consumption.

Tapiola Group's paper consumption 2007–2009 (tonnes)



Tapiola Group's paper consumption 2009 (%)



4.6%, electricity consumption was cut by 0.6% and water consumption increased by 5%, so the objectives set were only reached for electricity. The decrease in electricity consumption was due to factors such as a reduction in the number of employees, which further affected issues such as computer electricity consumption and staff meals. The increase in heat consumption is explained by changes in working hours and resulting changes in the use of ventilation systems. The change in water consumption is also largely attributable to changes in the hours the building is used. All water used by the Tapiola Group is municipal tap water.^(EN8)

Paper consumption

As regards the use of materials, only paper consumption is relevant at Tapiola.^(EN1) The majority of paper use consists of customer magazines, printouts from multifunction devices, printed matter and customer printouts. In 2009 the Tapiola Group used a total of 583 tonnes of paper, down 12% year-on-year. Proportioned to the number of customers, this corresponds to a decrease of almost 15%.

Major environmental actions taken at Tapiola include the development of electronic services and the efforts to reduce the use of paper in customer services, claims handling and invoicing. Our customers received around 9 postal items from us during the year (13 in 2008), with the increase in the use of electronic services visible in the figure. The development of a variety of electronic methods and case management processes has also made our printing policies uniform, with the ultimate aim being to give up all unnecessary printouts. Tapiola General's property claims handling services have created an operating model that has already achieved this. The need to avoid unnecessary printouts is also emphasised in our employee training. The Tapiola personnel magazine was made electronic in spring 2009, and the majority of Tapiola Group's printed matter is printed on FSC certified paper. More than 50% of tissue paper procured for the Tapiola head office is made from recycled fibre and, excluding one special product, all tissue paper used carries the Nordic Swan ecolabel.

Waste and recycling

The total volume of waste generated at the Espoo head office building in 2009 was 278.6 tonnes, of which 93.9% was sent for recovery, including energy recovery.^(EN22) Tapiola's head office functions generated a total of 120 tonnes of paper waste, i.e. 133 kg/person. The volume was up 6% year-on-year, which is mainly due to cleaning performed in preparation for the move to the new building.

Tapiola employees use around 6,500 computers, with Tapiola Data responsible for these. All hardware is energy-saving, and all functioning devices that are taken out of service are recycled, while non-functioning ones are taken to recycling points for further delivery for use as secondary raw material by industry. Functioning hardware taken out of service is sent to the Middle East and Africa for use by private consumers, internet cafes and schools.

At Tapiola Data 100% of network and mass printing devices end up for recycling and materials reuse.



Tapiola's old computers awaiting delivery to Ivory Coast.

The suppliers selected operate in compliance with the principles of sustainable development. Efforts are made to procure paper for mass printouts as locally as possible to minimise CO₂ emissions from transport.

Office supplies such as files and plastic pockets no longer needed by the original user are recycled to others within Tapiola. Furniture no longer needed is also recycled.

Travel

Work-related travel by Tapiola employees is minimised through active use of telephone and videoconferencing. Each employee workstation is equipped for instant messaging and videoconferencing, and part of the meeting rooms have videoconferencing equipment. Meetings between people working in different regions can therefore mostly take place electronically. Car pooling is also an established practice at Tapiola. Training and induction material used constantly is available online, which also reduces the need for travel. Around 40% of Tapiola employees whose duties involve business trips have reported that they replace some of the trips with internet, phone or videoconferencing.

The distance driven by our employees for work-related reasons totalled 4.3 million km, and from the beginning of 2009 all company cars must be equipped with a diesel engine. The distance driven in travel related to loss occurrences totalled 390,000 km in 2009. According to a survey con-

How does Tapiola take care of waste sorting and recycling?

ducted in December 2009, our employees' journeys to and from work accounted for 15.5 million km by car and 7 million km on public transport, with the average journey to work being 20 km. Tapiola conducted marketing cooperation with the campaign to promote cycling in Helsinki, which was launched in spring 2009. The eco-calculator developed with the Tapiola Group measured the environmental impacts of the distances cycled by those participating in the campaign. Tapiola employed the campaign to emphasise the wellbeing created by physical activity and the positive environmental impacts arising from cycling.

Carbon dioxide emissions monitored

Greenhouse gas emissions are the most important reason for climate change. Therefore it is important to make efforts to control and reduce them. The calculation of total emissions created by all the properties is based on the Finnish CO₂ emission coefficients used for electricity and district heat production. Energy production emissions produced by the Tapiola Group head office have been estimated using data received from electric-



Tapiola employees like to take the bike to work in the summer.

ity and district heat providers. Electricity procured for premises used by head office functions is produced in CO₂-free processes.

The CO₂ emissions profile of the Tapiola head office functions was produced as part of Green Office reporting, with the volume of CO₂ emissions in 2009 totalling 6,293 tonnes^(EN16). Included in the calculation as sources of emissions were electricity and heat consumption, business travel (by car), journeys between home and office, letter deliveries, waste transport and paper consumption.

CO₂ emissions from Tapiola Group's business travel totalled 1,775 tonnes in 2009, of which car journeys (work-related and use of company cars) accounted for 270 tonnes and flights for 367 tonnes. Commuting between home and office was estimated to result in 3,247 tonnes of CO₂ emissions in 2009.^(EN17)

Environmental work supported by the Green Office system

Tapiola complies with the Green Office Environmental Management System which aims to reduce the environmental burden and climate impacts of offices. We are entitled to use the Green Office label in our head office functions, and the functions of the new building will be audited in 2010. The aim is to launch the Green Office programme in the regional organisation too.



Tapiola's head office has adopted the Green Office Environmental Management System of the World Wildlife Fund (WWF).



Aura-Karelia

Aura-Karelia, the employee restaurant of Tapiola's head office, has made extra efforts to promote healthy food. The lunches meet the criteria set for heart-friendly food and the aim is to qualify for the Finnish Heart Association's Heart Symbol. Waste is sorted appropriately at the kitchen and restaurant, and the detergents used are environmentally friendly in compliance with the Nordic ecolabel.

Comparison with GRI Guidelines ^(3,12)

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