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In the event of any discrepancy between the English language and Hungarian language versions, the Hungarian language version shall prevail.

## ***Statement on the integration of investments' sustainability risks (excerpt)<sup>1</sup>***

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In this Statement changes are highlighted in gray and in italics.

### **OTP Bank Plc.**

Registered office: H-1051 Budapest, Nádor utca 16.

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<sup>1</sup> *This Statement was amended for the purpose of clarifying the information provided on the Bank's procedures applied for the integration of sustainability risks.*

OTP Bank Plc.'s Sustainability Risk Management Policy was drafted in accordance with the Sustainable Finance Disclosures Regulation (REGULATION (EU) 2019/2088). We define sustainability risk as an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment and assets, financial and earnings situation, or reputation of a supervised entity.

The policy generally describes the principles applied by OTP Bank Plc. in handling and monitoring of sustainability risks which may arise during the investment decision process of discretionally managed portfolios and the provision of investment advice.

Management of sustainability risks constitutes an integral part of our overall risk management framework. It is essential for us to develop a comprehensive risk management system that effectively identifies, measures, monitors and controls sustainability risks under the supervision and control of the bank's responsible management bodies.

We are committed to improving our ESG performance, doing business responsibly, and thinking for the long term. Therefore, we promote a balanced development aimed at redirecting capital flows towards sustainable investments.

In order to measure sustainability risk, OTP Bank Plc. applies ESG ratings supplied by an external data provider. Based on the data provided, *financial instruments and financial products (including the portfolios under portfolio management)* are classified into four internal sustainability risk categories:

1. Low
2. Medium
3. Medium high
4. High

OTP Bank Plc. draws attention to the fact that, in the case of some financial instruments, the availability of ESG data is not guaranteed, which limits the consideration of sustainability risks.

*If the exposure to sustainability risk exceeds the sustainability risk limit specified by OTP Bank Plc. in the course of the portfolio management activity, OTP Bank Plc. will take the necessary measures to reduce the sustainability risk to an acceptable level. OTP Bank Plc. monitors sustainability risks continuously during the entire lifecycle of the portfolios.*

*If a portfolio contains financial instruments whose classification cannot be determined (e.g. derivative financial instruments, liquid assets) or the required data are unavailable, OTP Bank Plc. will disregard the portfolio items concerned and manage sustainability risks based on the sustainability risk categories of the remaining financial instruments in accordance with the limits determined by OTP Bank Plc.*

*For the purpose of integrating sustainability risks into investment advice processes, OTP Bank Plc. evaluates individual financial products (investment funds, ETPs) based on their sustainability risks as defined by the external data provider, and includes them in the group of instruments selected for investment advice depending on the result of the evaluation.*

*If the financial product selected for investment advice has a medium or high sustainability risk or data are unavailable, a substitute product with low or medium sustainability risk will be included in the list of financial products recommended for investment advice.*

As regards insurance advice, as an insurance intermediary, OTP Bank Plc. *does not qualify sustainability risks as relevant based on the Insurer's statement: at this time, as the investment targets do not supply comprehensive data on their own sustainable activities, the Issuer of the financial product is unable (or only partially able) to perform the necessary calculations, analyses and data supplies.*