

Statement on the integration of the sustainability risks of investments (excerpt)¹

Effective from: **1 January 2023**

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In this statement, the modifications are marked in italics with a grey background.

OTP Ingatlan Befektetési Alapkezelő Zrt.

Registered office: 1026 Budapest, Riadó u. 1-3.

*Registered with the Court of Registration of the Budapest-Capital Regional Court
under no. 01-10-044185*

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¹ This Statement has been amended in order to supplement ESG risk ratings, and to carry out additional clarifications.

OTP Ingatlan Befektetési Alapkezelő Zrt. (hereinafter: the Company) has developed its Sustainability Risk Management Policy (hereinafter: Policy) in accordance with the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (hereinafter: Regulation).

A sustainability risk is defined as an environmental, social or governance event or condition that, if it occurs or exists, could cause an actual or potential negative material impact on the value of the investment and on the assets, financial situation, income, or reputation of the supervised institution.

In the Policy, the Company provides an overall presentation of the general principles in managing and monitoring the sustainability risks that may arise during its investment decision-making activities.

The management of sustainability risks is an organic part of the overall risk management framework. The Company considers it fundamentally important to develop a comprehensive risk management system for identifying, measuring, monitoring and controlling sustainability risks efficiently.

In order to measure sustainability risks, the Company applies ESG ratings supplied by an external data provider and uses publicly available information.

ESG ratings can be between CCC-AAA, where CCC is the worst rating and AAA is the best rating. Instruments are classified by the Fund Manager as follows:

Instrumentum's ESG classification	Internal sustainability risk category
AAA	Low
AA	
A	
BBB	Medium
BB	
B	
CCC	High

The Company is committed to responsible business operation and long-term vision; therefore, we support balanced development aimed at the redirection of capital flows to sustainable investments. It aims to help redirect capital flows towards sustainable investments to achieve sustainable growth.

If the sustainability risk level of any fund managed by the Company exceeds the sustainability risk appetite, the Company will take appropriate measures to mitigate the risk.

Budapest, 21 December 2022.