

Sustainability approach

Connecting to the UN Sustainable Development Goals

The 17 Sustainable Development Goals (SDG) formulated by the UN set up a new, universal measure for development by 2030, taking a stand for the elimination of poverty, the fight against climate change and inequalities. The OTP Group is committed to facilitate the SDGs. The Banking Group can, and wishes to, contribute to the following goals to the greatest extent: 4. Quality education, 7 Affordable and clean energy, 8 Decent work and economic growth, 9 Industry, Innovation and Infrastructure, 13 Climate action. The goals of the ESG strategy are also linked to these. The SDG goals and indicators are affected¹ by the OTP Group's activities as detailed below:



Stability

The members of OTP Group are key participants in several markets within the CEE region, and through their operations and results they have a significant impact on the respective countries' economies and financial systems, as well as on improving the standard of living.

Contribution:

Stability is one of the most important values for the Banking Group, therefore it spares no effort to secure this. Its solid background is demonstrated, among others, by its traditionally high CET 1 and liquidity ratios, its prudent risk management and the low ratio of non-performing loans.



Tax payment

Through tax payment, the Banking Group makes a meaningful contribution to the provision of community services and the management of social inequalities, thus ultimately to socio-economic stability.

Contribution:

The OTP Group is a major taxpayer, committed to maximum compliance with the laws and regulations even when fulfilling its tax payment obligations.



Lending, investment

Through responsible placement of funds the Banking Group enables purchases, consumption and the implementation of investments. Therefore, we have an impact not only on the customers but, indirectly, also on economic growth, people's living standards, and basic needs such as housing, and the utilisation of natural resources.

Contribution:

The scoring system ensures prudent lending, a crucial requirement for the protection of deposit holders' funds and the prevention of excessive indebtedness. We are committed to promoting our customers' financial welfare and we offer them products that are aligned to their real needs and possibilities. Also very important for the Banking Group is to enable facilities with the involvement of public and international institutions, in many cases going beyond its market share. We contribute to environmentally sustainable economic transition by sustainability risk management and by offering green products.

¹ The sub-goals and indicators are global or national, the contribution to achieving these goals is indirect at the company level. It is even more indirect in the case of financial institutions, which can contribute to achieving a number of goals by making the financial resources available.



Access to financial services

We make the use of our services subject to strict conditions – this is equally important for the Banking Group's stability and the interests of our customers. To ensure equal opportunities and promote the principles of social solidarity, however, it is also crucial that the bank's services be accessible, that disadvantaged people also have access to the basic functions required for managing their finances and to funds, as far as possible.

Contribution:

The Banking Group has an extensive network of branches and ATMs and is providing access for a steadily increasing clientele through digital services. We strive to provide equal opportunity in our services to persons living with disabilities. Our retail account packages with all basic functions are available without an account management fee. Our services are available for micro and small enterprises as well.



Development of financial literacy

Financial products and services may be highly complex – financial literacy is indispensable for one to understand such products and services, for making responsible and good financial decisions as well as for accomplishing one's objectives. Acquiring such knowledge is more difficult for members of vulnerable groups, although this is even more important for them in creating a stable financial background.

Contribution:

We always aim to make sure that our communication is clear and straightforward. Training videos and calculators are provided for customers to help them better understand financial services and how they work; they also come in handy in managing their revenues and expenditures. The OK Educational and Innovation Centre and the OTP Fáy András Foundation provide free finance and economics courses in Hungary, Slovakia, Romania and Moldova, helping thousands of students and adults every year to expand their knowledge.



Employment

OTP Group is a major employer both in Hungary and across the region, directly as well as through its intermediary partners and supplier chain.

Contribution:

The Banking Group is committed to responsible employment, equal opportunity, the opportunity for personal growth and work-life balance; it provides equitable income that is proportionate to performance and sufficient to finance a decent living standard. Compliance with the requirements laid down in the Code of Ethics is expected on the part of our business partners as well.



Environment

The capital projects and operations implemented with our financing and investments have a significant impact on the use of natural resources and may facilitate the success of efforts to mitigate and adapt to climate change. The resource requirements of the Banking Group's operations also impact the environment.

Contribution:

The OTP Group is committed to green financing, in which it wishes to take the lead. The Banking Group also plays a dominant role in the implementation of initiatives of state and international institutions. Our objective is to reduce the environmental impact of our operations.



Communities

OTP Group is an organic part of society and local communities.

Contribution:

In line with our values, we play an active role in the progress of local communities and in supporting disadvantaged persons. OTP Bank is one of the most generous charitable donors in Hungary.