DSK Bank first report on the implementation of the Principles for Responsible Banking (PRB) of UNEP-FI

September 2026

DSK Bank, established in 1951 and part of OTP Group since 2003, is one of Bulgaria's leading financial institutions, serving individuals, businesses and public-sector organizations through a broad range of banking and financial services.

DSK Bank recognizes responsible banking as an integral part of how it responds to evolving environmental, social and economic priorities. As a signatory to the United Nations Principles for Responsible Banking (PRB), DSK is progressively embedding sustainability considerations across its strategic direction, governance arrangements, business activities and engagement with clients and stakeholders.

This first Progress Statement on the implementation of the PRB marks DSK's initial formal account of its approach to the six Principles. It provides an overview of the foundations that have been established to date, the key actions undertaken during the reporting period, and the priorities that will guide DSK's continued progress in the years ahead.

Through continued implementation of the Principles, DSK Bank aims to strengthen the integration of sustainability considerations into its decision-making and financing activities, support its clients in navigating the transition to a more sustainable economy, and progressively enhance the positive environmental and social contribution of its operations and portfolio.

P1

ALIGNMENT

DSK Bank's approach to responsible banking is grounded in the integration of sustainability into strategic decision-making, financing, risk management and day-to-day operations. Guided by our latest ESG Strategy 2026-2028 and prudential Transition Plan, the Bank steers its activities towards alignment with global and national sustainability objectives, including climate resilience, sustainable economic development and financial inclusion.

By combining sustainable finance offerings, prudent ESG risk management, proactive stakeholder engagement and robust governance, DSK Bank seeks to generate long-term value for customers, society and the economy while strengthening its resilience to emerging environmental and social challenges.

Ref. pages 5-7

P2

IMPACT & TARGET SETTING

Building on OTP Group's double materiality assessment and incorporating local portfolio characteristics, market conditions and stakeholder expectations, DSK Bank has identified climate change mitigation and financial inclusion as the areas where it can generate the most significant positive impact.

The Bank has established dedicated targets and initiatives in both areas, including the expansion of our green lending portfolio and the further development of financial literacy programs, particularly among younger generations. Progress against these objectives is monitored through established governance arrangements.

In addition, the Bank contributes to community development through the Regional Urban Development Fund, supporting projects with positive social and environmental impact.

Ref. pages 8-11

P3

CLIENTS & CUSTOMERS

Through responsible banking practices, DSK Bank promotes customer protection, transparency and inclusive access to financial services while fostering long-term trust and sustainable customer relationships.

We actively support clients in navigating the sustainability transition through ESG risk management, targeted engagement, transition planning and sustainable finance solutions that strengthen resilience and unlock new growth opportunities.

At the same time, we invest in financial literacy and youth empowerment programs, helping build the financial capabilities, informed decision-making and economic resilience needed for future generations to thrive.

Ref. pages 12-15

P4

STAKEHOLDERS

DSK Bank engages with a broad range of stakeholders, including public institutions, industry associations, NGOs, educational organizations and business partners, to better understand sustainability challenges, expectations and emerging trends.

These interactions help inform the Bank's ESG Strategy, materiality assessments, risk management approaches and responsible banking commitments, ensuring that key stakeholder perspectives are reflected in decision-making. Through collaboration, knowledge sharing and joint initiatives, DSK Bank also contributes to capacity building, sustainable development and other positive environmental and social outcomes in the communities it serves.

Ref. pages 16-19

P5

GOVERNANCE & CULTURE

DSK Bank maintains robust governance arrangements to support sustainable development and the effective management of ESG risks. Oversight is provided through a dedicated ESG Committee to the Management Board, comprising the CEO and senior representatives from key business and risk functions.

ESG factors are integrated into the Bank's materiality assessment, risk appetite framework and risk management processes, supported by due diligence, ongoing monitoring and regular reporting. Sustainability objectives are also reflected in the remuneration framework for identified staff, strengthening accountability and embedding sustainability into decision-making. A culture of responsible banking is further promoted through annual ESG training and targeted learning programs across the organization.

Ref. pages 20-22

P6

TRANSPARENCY & ACCOUNTABILITY

DSK Bank is committed to transparent disclosure and clear accountability for its sustainability performance, priorities and progress. Our sustainability-related activities, targets and achievements are reported through the annual OTP Group Sustainability Report, which is subject to independent limited assurance, and will be further complemented by our annual PRB Progress Statements.

To support ongoing dialogue and stakeholder engagement, the Bank also maintains dedicated environmental and social communication channels through which customers, partners and other stakeholders can submit inquiries, concerns or feedback related to environmental and social matters, helping to strengthen transparency, responsiveness and continuous improvement.

Ref. pages 23-24

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks

DSK Bank at a glance

2.6M Customers

€22B Total assets

960 ATM's

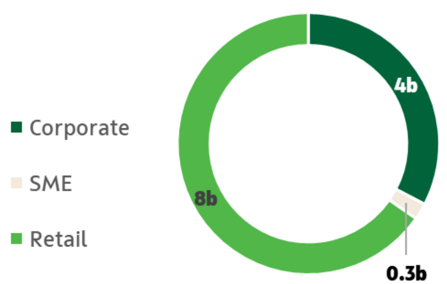
70 000 Company Clients of which 63K SME and 7K corporate

5 000 Employees

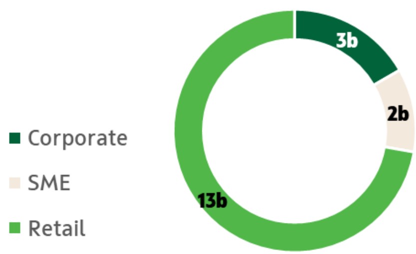
271 Offices

DSK Bank is one of the leading commercial banks in Bulgaria with a predominantly retail-focused business model, complemented by substantial business banking activities. The Bank serves individuals, small business clients and a broad range of corporate and institutional customers, including municipalities and public-sector entities. Its core offering spans deposits, payments and lending, with housing and consumer finance forming the main retail products and working-capital, investment and project-related financing supporting business clients. The Bank also provides factoring, investment services and financial-market solutions for managing currency and interest-rate risk. At DSK Group level, the core banking proposition is complemented by specialized activities in leasing, pension services, venture capital and urban-development financing.

Lending Portfolio Volumes by Customer Segment



Deposit Volumes by Customer Segment



The lending portfolio reflects the Bank's strong retail orientation: at the end of 2025, 67% of the credit portfolio related to individuals and households and 33% to enterprises, including SMEs. Within the household portfolio, ~58% comprised mortgage-backed loans and ~42% consumer loans. Within the corporate portfolio, the largest sector exposures were energy, manufacturing, financial and insurance activities, trade and services, real estate activities and construction. Lending is overwhelmingly European in geographical terms, with ~99.9% of loans and advances to customers concentrated in Europe.

Links & references: DSK Bank Separate and Consolidated Financial Statements;

DSK Bank's ESG Strategy 2026-2028 establishes our long-term sustainability ambitions and strategic priorities and defines the Bank's approach to integrating environmental, social and governance considerations across financing activities, risk management and own operations. The Strategy supports the transition to a climate-resilient, low-carbon and inclusive economy and reflects evolving regulatory requirements, stakeholder expectations and international sustainability objectives, including the Paris Agreement and the Sustainable Development Goals. The Bank's ESG risk management framework is designed to align with the supervisory expectations and guidance of the European Central Bank (ECB), the European Banking Authority (EBA) and the Bulgarian National Bank (BNB), supporting the systematic identification, assessment, monitoring and management of ESG-related risks.

The following four pillars provide the strategic foundation for embedding ESG considerations across the Bank.

01 Robust Governance & Accountability

Embedding ESG through strong leadership, clear responsibilities, effective controls and transparent decision-making.

02 ESG Risk Management & Resilience

Identifying, assessing and managing ESG risks through effective monitoring, stress testing, and integration into business planning and risk appetite.

03 Positive Impact & Development

Increasing positive impact through sustainable financing, a lower carbon footprint, financial inclusion, community development and a responsible workplace.

04 Strategic Alignment

Aligning our ESG strategy with regulatory requirements, stakeholder expectations and leading practices, while delivering practical solution and measurable outcomes.

Transition Plan

The strategy is complemented by DSK Bank's prudential Transition Plan, adopted in early 2026 in line with EBA expectations, which translates strategic priorities into actionable measures, client engagement activities, sectoral analysis and portfolio pathways, targets and measurable outcomes.

Normative Framework

The implementation framework behind the ESG Strategy and Transition Plan is founded on a robust set of internal policies, rules and procedures, which govern end-to-end processes for loan origination, due diligence and risk assessment, monitoring, stress testing, capital planning, and risk appetite, ensuring ESG considerations are systematically applied across all decision-making and control functions.

Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

To identify the areas where DSK Bank can have the most significant sustainability impact, the Bank builds on OTP Group's double materiality assessment (DMA) and complements it with local market, portfolio and stakeholder considerations. OTP Group presents its consolidated Sustainability Statement as part of the consolidated Management Report, covering OTP Bank and its subsidiaries, including DSK Bank, in accordance with the CSRD, ESRS and Article 8 of Regulation (EU) 2020/852. OTP Group periodically updates the DMA to reflect relevant sustainability-related impacts, risks and opportunities, with DSK Bank contributing information on the Bulgarian market and sector-specific conditions.

E1 **Climate change (E1):** climate change adaptation, mitigation and energy. Strategic priorities include sustainable financing, portfolio resilience and the decarbonisation of own operations, with portfolio resilience being particularly relevant to transition planning.

E4 **Biodiversity and ecosystems (E4):** Biodiversity is a priority for Bulgaria, with 35.1% of its territory covered by Natura 2000. The Bank therefore monitors biodiversity-related risks closely and assesses new projects as they arise through the Bank's environmental and social due diligence process.

S1 **Own workforce (S1):** working conditions, equal treatment and equal opportunities for all. Strategic priorities include corporate culture, employee well-being, diversity and adequate wages to attract and retain qualified employees.

S4 **Consumers and end-users (S4):** information-related impacts, including data privacy and cybersecurity, financial education and marketing, and the adequacy of information provided to customers. The strategic priority is social responsibility.

G1 **Business conduct (G1):** the risk remains material as an ongoing operational risk and is addressed through Group-level preventive measures, including continuous enhancement of anti-money laundering framework.

Taking into account the results of our DMA, the Bank has identified two priority areas for target-setting:

- **E1 Climate Change – Climate Change Mitigation** - Our target focuses on growing the green lending in the corporate portfolio. While financed emissions are measured and disclosed at OTP Group level, DSK Bank recognizes the climate-related impacts associated with financing activities and contributes to their management through sustainable finance, client engagement, ESG risk management and the implementation of its prudential Transition Plan.
- **S4 Information related impacts for consumers and/or end users** - Our target focuses on strengthening financial health and inclusion through financial education and awareness-raising initiatives, helping individuals make informed financial decisions and improve their long-term financial resilience.

Links & references: *OTP Group Integrated Report 2025*

These two priority areas are translated into measurable targets and monitored through dedicated KPIs. For climate change mitigation, DSK Bank focuses on expanding green financing in the corporate portfolio and supporting clients' transition to a low-carbon economy. For financial health and inclusion, the Bank focuses on strengthening financial literacy among young people through targeted educational initiatives, while gradually extending its activities to parents and teachers to broaden the impact of financial education.

Green lending

7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION

Green lending is a key element of DSK Bank's contribution to the transition towards a low-carbon and resource-efficient economy and is monitored through internal governance arrangements. As of the end of 2025, the Bank's corporate green loan portfolio exceeded **EUR 725 million**, and an ambitious target has been set to increase it to **EUR 1,050 million** by the end of 2026.

Green lending is classified in accordance with OTP Group's Sustainable Finance Framework and Green Loan Framework, which provide a consistent Group-wide approach aligned with regulatory requirements and recognized market standards, including the EU Taxonomy. Where applicable, the Bank also follows the requirements of the Hungarian National Bank's MNB A program.

DSK Bank supports business clients with transition-enabling investments in renewable energy, green real estate, resource efficiency and other sustainability-linked solutions tailored to sector-specific needs and opportunities. Targets are also being introduced for the retail segment to promote mortgage financing for energy-efficient homes and leasing solutions for electric vehicles.

Financial health and inclusion

4 QUALITY EDUCATION

Financial literacy is an important element of DSK Bank's contribution to improving young people's financial health and supporting more informed financial decision-making. By the end of 2025, the Bank's financial literacy program had reached **12,000 students**, with an ambitious target to reach an **additional 5,000 students by the end of 2026.**

The program is designed to provide young people with practical financial knowledge and skills relevant to their everyday lives, while promoting responsible financial habits from an early age. In 2026, the Bank is also expanding its focus to parents and teachers, recognizing their role in supporting children and young people in developing sound financial behaviors. As part of this aim, DSK Bank will develop educational materials and practical guidance for parents and educators, enabling them to play a more active role in improving children's financial literacy and fostering responsible financial habits. *(ref. page 15 for details)*

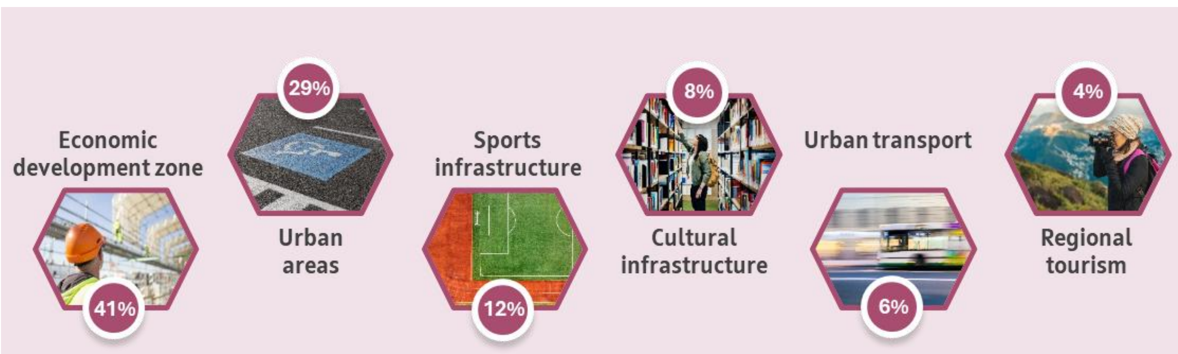
Through these efforts, DSK Bank aims to strengthen financial health and inclusion among young people and extend the impact of financial education beyond the classroom.

DSK Bank is also preparing a Decarbonization Plan for Own Operations, which will establish emission-reduction targets in line with the requirements of the CSRD and ESRS E1 – Climate Change. The Bank will monitor implementation through its governance framework and provide regular updates on progress in future sustainability disclosures and PRB Progress Statements.

We channel capital toward investments that deliver tangible social value.

In addition to its core banking activities, DSK Bank supports socially impactful and sustainable urban development through its subsidiary, the Regional Urban Development Fund (RUDF). The financial instruments managed by RUDF contribute to the objectives of the EU Cohesion Policy by financing projects that improve urban infrastructure and quality of life, support public and private entrepreneurs, preserve cultural heritage, and advance education, healthcare and tourism. They also promote more efficient urban resource use through investments in energy efficiency and the circular economy.

Following the two successfully managed investment cycles of JESSICA funds (2011-2025) across more than 50 projects, RUDF now manages Urban Development Fund for North Bulgaria ("UDF North"), covering 20 municipalities in North Bulgaria. During first investment cycle of UDF North we supported 49 projects of which 31 are municipal. The UDF North Projects by sector and portfolio share are presented below.



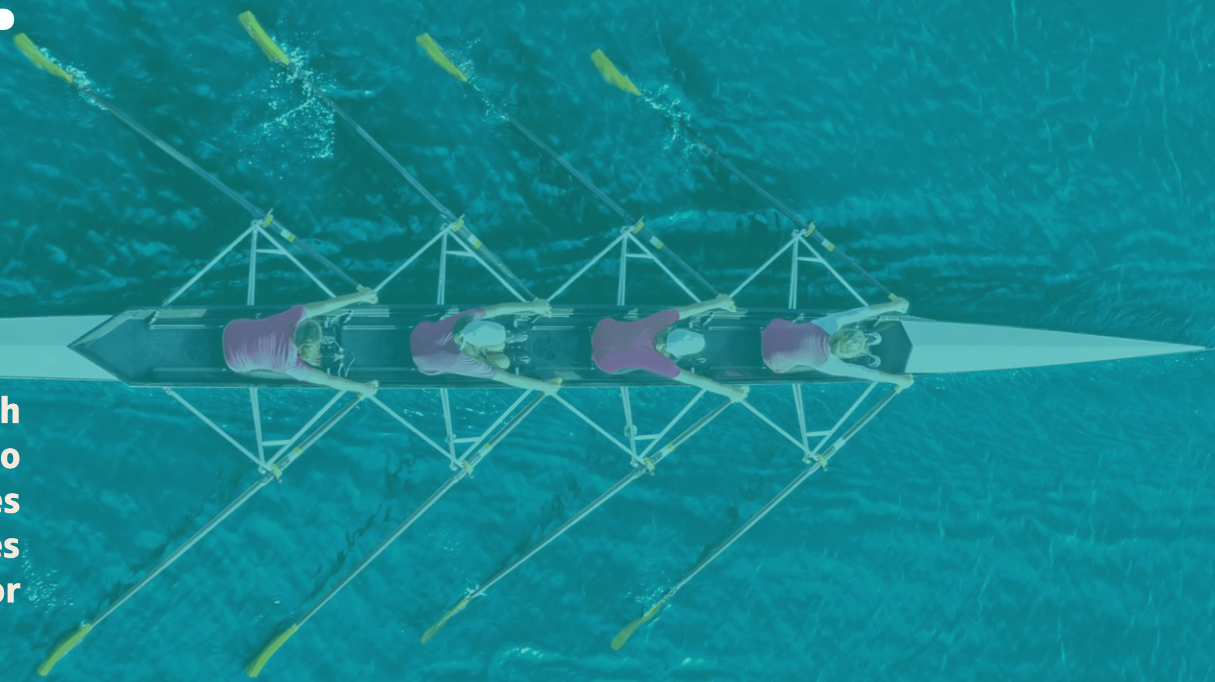
As the reinvestment cycle of UDF North progresses from 2025 to 2031, we continue to play a pivotal role in channeling financing into socially impactful projects that strengthen regional development.

Furthermore, DSK Bank plays a leading role in directing investment towards sustainable waste management.

Under the Waste Management Financial Instrument, DSK Bank provides financing through the Environment Programme 2021–2027, co-financed by the European Regional Development Fund.

The instrument supports investments in separate waste collection, recycling and sustainable waste management by offering preferential loans to municipalities, municipal enterprises and private companies. The available financing exceeds EUR 20 million, including more than EUR 14 million in public funding provided through the Fund Manager of Financial Instruments in Bulgaria EAD. The instrument launches in 2026 and will remain available until 31 Dec. 2029.

Principle 3: Clients & Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Responsible banking in every customer interaction

DSK Bank works with its clients and customers to promote responsible business practices, support sustainable economic development and facilitate the transition towards a more sustainable and resilient economy.

The Bank's commitment to responsible customer engagement is reinforced through its Code of Ethics, which establishes clear standards for integrity, transparency and ethical business conduct across all activities. The Code includes safeguards to prevent conflicts of interest, promote compliance with applicable legal and regulatory requirements, and uphold a zero-tolerance approach to corruption and other unethical practices. Customer protection considerations are embedded in governance processes for products, services and communication, helping ensure that marketing materials and customer-facing activities are fair, transparent and aligned with consumer rights principles. The Code is supported by dedicated whistleblowing and ethics reporting channels, available to employees and external stakeholders, which enable confidential reporting of suspected misconduct, unethical behavior or regulatory breaches, while providing protection against retaliation for individuals who raise concerns in good faith. Through these measures, further enabled through a comprehensive framework of internal policies and procedures, DSK Bank seeks to foster a culture of accountability, trust and responsible conduct in its relationships with customers, business partners and society.

The Bank supports informed financial decision-making through transparent information, financial education and consideration of the needs of vulnerable customer groups, while customer satisfaction and effective complaint handling remain key priorities. To foster inclusive access to financial services, the Bank continues to enhance the accessibility and usability of its digital channels through features that accommodate diverse customer needs and preferences.

OUR VALUES

Ownership

Transparency

Impact

Links & references: Integrity | DSK Bank; Feedback | DSK Bank

Partnering with clients in the sustainable transition

Environmental and social considerations form a core part of the Bank's client engagement, financing and risk management practices. DSK Bank applies the OTP Group ESG Exclusion List, which includes activities that are not supported by us, activities whose controversial nature and impact make them incompatible with OTP Group's values for safeguarding human rights and promoting sustainable development.

Our responsible financing practices are also supported by the Bank's Environmental and Social Management System (ESMS), a framework of policies, due diligence and risk assessment processes that integrates environmental and social considerations into lending and investment decisions. The framework also supports compliance with applicable environmental and social legislation and alignment with internationally recognized standards and requirements of international financial institutions. The ESMS enables the Bank to identify, assess and manage potential environmental and social risks and, where needed, agree corrective action plans to address identified gaps and strengthen environmental and social performance. Through this approach, the Bank's ESMS contributes to more informed financing decisions, stronger resilience, and positive environmental and social outcomes, in line with our commitment to responsible banking.

DSK Bank also recognizes its role in supporting clients as they adapt to the environmental, social and economic changes associated with the transition to a more sustainable economy. To guide this effort, the Bank has developed a prudential Transition Plan that strengthens resilience to climate and environmental risks while supporting sustainable growth opportunities. The Plan integrates sustainability considerations across the Bank's business strategy, risk management, due diligence and reporting processes. It includes sector-specific transition pathways and targets for climate-relevant sectors such as energy, real estate, transport, industry and agriculture, enabling the Bank to monitor alignment with recognized transition scenarios, including the International Energy Agency's Net Zero 2050 pathway and relevant national plans.

It also establishes a systematic process for dialogue with clients exposed to elevated physical or transition risks, supporting risk mitigation, adaptation measures and transition planning. Through this approach, the Bank seeks to strengthen the resilience of both its portfolio and its clients while supporting the transition to a low-carbon economy.

We aspire to **sustain 100% client engagement** with clients in key sectors in areas of significant impact whose business activities are facing elevated transition risk.

We continue to **support clients through sustainable finance investments** that help them modernize and decarbonize their activities. As of the end of 2025, our corporate green* loan portfolio exceeded EUR 725 million and we have set ambitious target to reach EUR 1,050 million by the end of 2026.

Links & references *OTP Group Sustainability Finance Framework*

Advancing financial inclusion and literacy across current and future generations

12 000+ *students*

250+ *partner schools*

20+ *education materials*

Beyond financing activities, DSK Bank recognizes that a successful and inclusive transition requires customers and communities to have access not only to capital, but also to the knowledge, skills and tools needed to make informed financial decisions. Promoting financial literacy, financial inclusion and broader societal well-being therefore forms an integral part of the Bank's approach to responsible banking and long-term value creation.

Through **#YoungPower,** the Bank's financial literacy program officially recognized by the Bulgarian Ministry of Education, DSK Bank promotes financial capability, digital confidence and informed decision-making among younger generations. The initiative provides age-appropriate education through expert-led sessions, digital learning resources and educational materials designed for schools and universities. Looking ahead, DSK Bank is expanding the program into a broader ecosystem that combines educational content, digital platforms and long-term partnerships, extending access for students, families and educators. By integrating educational benefits into its youth banking products, the Bank further supports the development of responsible financial behaviors and practical financial skills from an early age.

A key element of DSK Bank's youth strategy is also the integration of educational benefits into its children's and teen card products. Recognizing that financial literacy and digital competence go hand in hand, the Bank currently provides access to selected educational platforms as value-added benefits linked to its youth cards.

Over the next three years, this initiative will expand through new partnerships and a broader portfolio of benefits, combining digital access and physical experiences such as entertainment and learning-focused activities. This evolution further extends the role of youth banking products beyond transactional functionality. The cards become not only payment tools, but also platforms that encourage responsible financial behaviour, continuous learning, real-world engagement, and long-term financial capability.

• • •

DSK Bank also promotes digital literacy and responsible online behavior through awareness campaigns, educational content and expert engagement on topics such as online fraud, phishing, secure digital payments and personal data protection. The Bank regularly shares practical guidance through media publications, public events and dedicated digital security resources on its website, helping customers and the wider community develop the knowledge and skills needed to navigate the digital environment safely and confidently.

Links & references :#Young Power - DSK Bank Financial Literacy Program ; Digital literacy resources | DSK Bank

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

P4 Stakeholders

DSK Bank engages with a broad range of stakeholders to better understand sustainability challenges, support the implementation of its ESG Strategy and contribute to positive environmental and social outcomes. Stakeholder engagement provides valuable insights for the design of initiatives, development of methodologies, identification of emerging sustainability topics and delivery of community-focused programs.

NGOs and Community Organizations	Public Institutions and Sector Representatives	Industry Initiatives and Working Groups	Educational Institutions	External Experts and Sustainability Specialists
Through the DSK Helps platform, DSK Bank partners with NGOs and community organizations on initiatives focused on youth education, digital inclusion, volunteering and urban impact projects. These partnerships provide valuable insights into local social challenges and community expectations, helping the Bank design and support initiatives that address real needs.	DSK Bank actively engages with public institutions and sector stakeholders on the development of sustainability methodologies, data collection approaches and sector analyses. As a member of the Association of Banks in Bulgaria (ABB), DSK Bank also participates in broader industry dialogue and cooperation on sustainable finance, climate risk management and regulatory developments.	DSK participates in relevant sustainability-related initiatives and working groups (e.g., expert group on designing new financial mechanisms to promote energy efficiency improvements in multi-family residential buildings; global expert roundtable on climate risk), supporting knowledge exchange and alignment with evolving sustainability expectations and good practices.	DSK works with schools, universities and educational partners to promote financial literacy and youth development. Examples include our cooperation with the Ministry of Education and Science on the #YoungPower initiative and with Sofia University on the development of educational materials on corporate sustainability. These partnerships broaden access to financial education, knowledge-sharing and practical learning opportunities.	DSK engages external experts to support deeper understanding of climate science (e.g., experts from National Institute of Meteorology and Hydrology), sustainability developments, policy evolution and sector-specific impacts. These external perspectives contribute to the continuous enhancement of our ESG-related methodologies and strategy execution.

Links & references: DSK Helps

Supporting the development of children in Bulgaria

DSK Bank has been a long-standing partner of SOS Children's Villages Bulgaria and is the organization's largest corporate donor. The partnership is supported through contributions from the Bank and its employees, as well as donations collected via DSK Bank's ATMs.

Together, we support children and young people in vulnerable situations through initiatives focused on family strengthening, prevention of family separation, community-based services and the transition to independent living, including programs such as Support for Independent Living and Pathways to Freedom. These efforts have reached thousands of children and young people across Bulgaria, promoting social inclusion, resilience and long-term opportunities for personal development.

Our longstanding partnership with SOS Children's Villages

EUR 4 million
funds donated through the Bank

570+ young people
supported through independent living services and the Pathways to Freedom project

820 children
supported in foster families and family-type accommodation

5800 children
supported through the Community Support Centers

The Bank also supports **long-term initiatives** aligned with our commitment to supporting sustainable urban development, art, and community well-being, and their activities will continue during 2026 and 2027.

The Circle of Knowledge

A project dedicated to knowledge sharing and community engagement, with the goal of creating a better environment in Studentski Grad, Sofia.

The Green Ring

A large-scale urban development initiative of Sofia Municipality aimed at transforming approximately 30 km of abandoned land around the wider city center into modern, green urban spaces.

Links & references: DSK Helps

Stakeholder engagement contributes directly to the implementation of DSK Bank's responsible banking commitments by supporting:

Better understanding of sustainability impacts

External expertise, research, sector dialogue and community engagement improve understanding of climate, environmental and social challenges relevant to the Bank and the Bulgarian economy.

Knowledge sharing and capacity building

Participation in industry initiatives, working groups and expert dialogue enables the Bank to exchange knowledge, monitor sustainability developments and learn from emerging practices.

Positive social impact

Partnerships with NGOs, educational institutions and community organizations support initiatives in youth education, financial literacy, digital inclusion and volunteering.

Development of methodologies and data approaches

Collaboration with external stakeholders supports the development of practical approaches for ESG assessment, sector analysis and sustainability related data collection.

Stakeholder engagement enables DSK Bank to combine external perspectives, community needs, scientific expertise and practical experience, supporting the continuous development of its sustainability approach and contributing to broader environmental and social objectives.

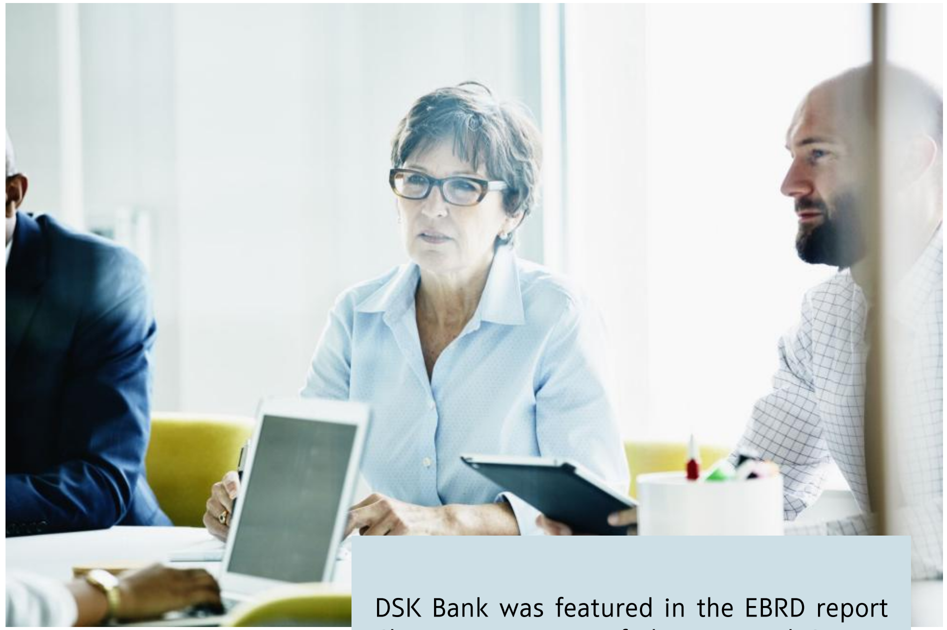
Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

ESG risk management is embedded across governance, risk, and business functions.

At DSK Bank, we recognize our responsibility for robust governance arrangements, including a risk management framework, strategies, policies, processes and systems for the identification, measurement, management and monitoring of ESG risks.

Primary responsibility for ESG integration across our business model, risk management practices and operations lies with the **ESG Committee** to the **Management Board of DSK Bank.** The Committee is chaired by DSK Bank's Chief Risk Officer, with members including the Chief Executive Officer, Head of Corporate Banking Division, Head of Retail Banking Division, Head of Strategy, Finance and Operations Division, and Head of Climate and Environmental Risk Directorate. External advisors further complement the Committee's expertise by providing perspectives on climate science, EU and local policy developments, regulatory trends and industry impacts. The Committee supports the Management Board in its oversight of ESG-related matters by reviewing relevant risks, regulatory developments, methodological changes and implementation progress, and by escalating matters requiring management attention or decision.



DSK Bank was featured in the EBRD report Climate Transition of the Financial Sector: The State of Play in the EBRD Regions – 2025, which includes a dedicated case study on "building climate skills within a bank".

The **Climate and Environmental Risk** unit within the Risk Management Division provides specialized knowledge, methodological support (incl. expert evaluations of high-risk client transactions and recommendations for risk mitigation), second line of defense controls along with a holistic view on the transition plan execution in the bank and its subsidiaries. They develop bank-wide and targeted training programs and facilitate cohesive internal communication on ESG matters.

The **Green Financing** unit within the Corporate Business Division plays an instrumental role in enhancing the ESG risk management capabilities in the first line of defense. They provide in-depth subject matter guidance to the business for conducting client due diligence, lead efforts towards achieving the bank's aspirational green lending targets and steer the portfolio towards alignment with transition pathways, including engagement with impacted clients.

Links & references: Climate Transition of the Financial Sector: The State of Play in the EBRD Regions – 2025

Promoting a Culture of Responsible Banking

Cross-functional ESG knowledge sharing is an integral part of our culture. We conduct an annual bank-wide ESG training, supplemented by technical sessions for targeted teams. In addition, a central platform offers on-demand access to ESG resources for all employees.

Sustainability considerations are integrated into DSK Bank's remuneration framework for identified staff through the incorporation of sustainability risks into remuneration and performance-related incentives.

DSK Bank recognizes that environmental, social and governance (ESG) factors can represent both a source of financial risk and an avenue for long-term value creation.

Environmental and social risks are therefore addressed through the Bank's established risk management framework and are progressively integrated into relevant policies, methodologies, processes and control functions.

DSK Bank applies a risk-based approach to identify and assess environmental and social risks associated with its portfolio. This approach is informed by regular risk identification and materiality assessment processes, as well as reviews of the broader business environment, including macroeconomic trends, policy and regulatory developments, technological change and sector dynamics. These assessments are supplemented, where relevant, by scientific research on the probability and severity of climate-related hazards specific to Bulgaria's geography, drawing on authoritative sources such as the National Institute of Meteorology and Hydrology. Together, these inputs support the identification of material risks across relevant sectors, regions, products and services in which the Bank is currently engaged or may consider entering.

Identified ESG risks are incorporated into the Bank's risk appetite framework and considered as part of lending and investment decision-making. The Bank applies due diligence processes proportionate to the nature and level of identified risk, considering sector- and client-specific characteristics. Where material environmental or social risks are identified, the Bank may apply appropriate risk mitigation measures and define actions for addressing or managing these risks as part of the relevant decision-making and risk management processes.

Environmental and social risks are subject to ongoing assessment and monitoring throughout the relevant business relationship or exposure, supported by established systems and control functions. Material developments are reported to the relevant committees to support oversight and informed decision-making, while the Bank continues to enhance its methodologies and processes in line with evolving regulatory requirements, industry practices and sustainability-related risks.

The Bank has also established a grievance mechanism through which environmental and social concerns can be raised. The mechanism is accessible through the Bank's website and complements the Bank's broader governance and control framework for the oversight and management of environmental and social risks.

As this is DSK Bank's first Principles for Responsible Banking disclosure, the governance arrangements and practices described above establish the foundation against which their continued development and implementation will be reported in future disclosures.

Links & references: Remuneration Policy for Identified Staff | DSK Bank ; Environmental and Social Grievance Mechanism | DSK Bank

Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

P6 Transparency & Accountability

At DSK Bank, we are committed to monitoring our progress and maintaining transparency around the implementation of our sustainability commitments. We will continue to provide regular updates through our annual PRB Progress Statement, complemented by the OTP Group Sustainability Report, which is subject to limited assurance and provides broader disclosure on the Group's sustainability performance.

Transparency also means maintaining an open dialogue with the stakeholders affected by our activities. We therefore welcome feedback, questions and engagement through our dedicated Environmental and Social (E&S) communication mechanism and broader feedback channels, helping us better understand stakeholder expectations and continuously strengthen our approach.

Links & references: Integrity | DSK Bank; Environmental and Social Grievance Mechanism | DSK Bank; OTP Group Integrated Report 2025