

Defining values – and living up to them.

GRI Report 2020

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Link to our website

You can print out the GRI report in A4 here.



MATERIALITY
DISCLOSURES SERVICE

2021

The Global Reporting Initiative (GRI) was able to draw on the GRI Report 2020 of Berlin Hyp AG for implementation of the GRI Materiality Disclosures Service. The correct positioning of the “Materiality Disclosures” (102-40 – 102-49) in the report was confirmed by the GRI Services Team. The service was performed on the German version of the report. All the GRI Standards listed in the following GRI Report correspond to the standards (2016) of the Global Reporting Initiative supplemented by the new standards on Water and Effluents (303, 2018), Occupational Health and Safety (403, 2018) and Tax (2019).

GRI Content Index

GRI 101 | Foundation 2016

GRI 102 | General Disclosures 2016



Organisational Profile

GRI 102-1 | Name of the organisation

Berlin Hyp AG

GRI 102-2 | Activities, brands, products, and services

Berlin Hyp specialises in providing large-volume real estate financing for professional investors and housing societies. We excel at developing individual finance solutions in the commercial real estate sector. Our services include financing for office, logistics, retail and residential real estate, both as stand-alone projects and in portfolio form. In addition to typical mortgage loans, we offer sureties (avals), framework lines, interest hedge products and financing products for construction projects (construction enterprises and developers) as well as valuations. The adoption of the far-reaching Sustainability Agenda in August 2020 meant that Berlin Hyp expanded its product range with a new financing product – the Transformationskredit (transformation loan). This loan is Berlin Hyp's way of financing refurbishment measures to save energy through a favourable interest rate. As an associate of the savings bank (Sparkasse) sector and a centre of competence for its commercial real estate financing activities, Berlin Hyp provides the Sparkassen with customised value added, not only with our range of syndicated financing products and support with valuation and restructuring, but above all with products such as collateralised real-estate debentures (Immo-Schuldschein), ImmoAval and ImmoDigital portal solutions. Medium and long-term refinancing is obtained via the issue of covered and uncovered bank bonds, and in this context the mortgage bond (Hypothekendarlehen) is proving to be the most important refinancing instrument. Issuing Green Bonds for the refinancing of green financing instruments gives Berlin Hyp a further important sustainability link in its value chain. These were complemented by a further building block in the second half of 2020 – work on a Sustainability Linked Bond has already started. For further information on Green Finance, → see [Management approach 103 Indirect Economic Impacts, page 22](#).

GRI 102-3 | Location of headquarters

Berlin, Germany

GRI 102-4 | Location of operations

In addition to its headquarters in Berlin, Berlin Hyp has five other operations in Düsseldorf, Frankfurt am Main, Hamburg, Munich and Stuttgart. Abroad, the Bank also has one office each in Amsterdam, Paris and Warsaw. We have financed properties in the following countries:

- Germany
- Belgium
- France
- United Kingdom
- Poland
- Netherlands
- Czech Republic

There were no material changes during the reporting year.

GRI 102-5 | Ownership and legal form

Berlin Hyp is a wholly owned subsidiary of the German savings banks (Sparkassen) and other companies in the German Savings Bank Finance Group (Sparkassen-Finanzgruppe) through an acquiring company. It has been independent since 1 January 2015 and is a direct subsidiary of Landesbank Berlin Holding AG under company law (LBBH).

GRI 102-6 | Markets served

Berlin Hyp specialises in providing large-volume real estate financing in Europe and develops individual financing solutions for professional investors and housing societies. As a partner of the German savings banks, it also gives these institutions a comprehensive range of products and services. Berlin Hyp refinances itself in the capital market. The Bank issues mortgage Pfandbriefe (bonds) as well as senior unsecured and subordinated debt securities. The Bank is also playing a role in the market for sustainable capital investments with an increasingly large outstanding volume of Green Bonds. Since 2017, it has been the



most active issuer of Green Bonds in the segment of commercial banks throughout Europe, → see GRI 102-2, page 4.

Key market activities in € m

	2020	2019	2018
Mortgage loans	23,864	21,774	20,223
Public-sector loans	418	522	555
Green Building financing	5,984	5,394	3,448
Green Bond issuances	5,178	4,000	3,000

Note: The year order has been changed in all tables compared to the 2019 report.

GRI 102-7 | Scale of the organisation

In 2020, Berlin Hyp AG generated an operating result after risk provisioning of € 96.6 million and had a balance sheet total of € 33.4 billion. Applicable equity capital amounted to € 1.6 billion on 31 December 2020. Please refer to the Annual Report for details regarding economic development, the Group structure and the competitive position, → see Annual Report 2020 or GRI 102-4 and 102-6, page 4.

Key performance indicators

	2020	2019	2018
Operating result after risk provisioning (in € m)	96.6	155.8	220.4
Balance sheet total (in € m)	33,423	27,021	27,178
Core Equity Tier 1 capital (CET1) (in € m)	1,387	1,324	1,244
Core Equity Tier 1 capital (in %)	13.4	13.3	13.5
Employees ¹	593	606	601

¹ without Board of Management

GRI 102-8 | Information on employees and other workers (UNGC: Principle 6)

Employees by region¹

	2020	2019	2018
Number of employees	593	606	601
of which in Berlin	553	562	552
of which in German branches	29	32	38
of which in Poland	4	4	3
of which in the Netherlands	4	4	4
of which in France	3	4	4

¹ without Board of Management

Employees by gender and employment type

	Women			Men		
	2020	2019	2018	2020	2019	2018
Number of employees	293	301	295	300	305	306
of which on fixed-term contracts ¹	17	15	20	21	19	33
Full-time	182	175	170	271	283	276
Part-time	111	126	125	29	22	30
Employees covered by collective wage agreements	131	136	145	75	76	81
Employees not covered by collective wage agreements	162	165	150	225	229	225

¹ Incl. students on dual-study programmes and trainees, interns and student workers



GRI 102-9 | Supply chain

In 2020, Berlin Hyp procured a total volume of approximately € 57.7 million. Purchase orders are essentially recorded on a decentralised basis and forwarded to suppliers through Central Purchasing. A newly signed appendix relating to sustainability was included for all suppliers with whom a new framework contract was concluded. The top 20 suppliers (procurement volume of € 38.2 million) have their registered office in Germany.

The key administrative expenditures amount to a total of € 56.7 million in the reporting year. These are broken down as follows:

Key administrative expenditures in T€

	2020	2019	2018
IT expenses	18,927	15,142	15,099
Third-party services	16,454	18,963	13,777
Building and premises costs	7,261	5,182	4,468
Group charges	5,738	5,940	6,079
Business operating expenses	3,123	3,696	3,301
Personnel-related material costs	2,627	3,658	4,238
Advertising and marketing	1,566	2,221	3,232
Operating and business equipment	991	715	776
Total	56,687	55,517	50,970

GRI 102-10 | Significant changes to the organisation and its supply chain

There were no significant changes in the year under review.

Berlin Hyp has been planning and building a new corporate headquarters since 2020. All commissions were carried out through the commissioning and ordering processes. Owing to the deviating procurement contents from standard banking business, the key suppliers were expanded by architectural practices and construction companies.

GRI 102-11 | Precautionary Principle or approach

Sustainability management has defined areas of action within the scope of a stakeholder dialogue process to describe key current and future challenges and to develop corresponding sustainable solutions. These areas of action are as follows:

- Profitable business model
- Responsible business policies
- Forward-looking customer relationships
- Binding trust
- Attractive employer

Berlin Hyp therefore has a sound foundation for avoiding risks to its business operations, or at least for managing them safely, while at the same time seizing opportunities for a forward-looking approach. Compliance Management defines requirements and limits for the business operations of Berlin Hyp by issuing restrictions and, in certain circumstances, rejecting business activities, products or customer relationships. Direct risks arising from our current and future business activities are managed by Berlin Hyp's Risk Management.

Relevant boards and committees of Berlin Hyp are:

- Supervisory Board including its committees
- Board of Management
- Planning Committee supporting Board of Management meetings
- Early-warning for credit/sales/risk support
- Market Evaluation Committee

Details on the responsibilities, skills and members are set out in the respective rules of procedure. Risk Controlling is the independent risk-monitoring unit that covers all types of risk. Each year, it suggests to the Board of Management which methods and models for identifying, measuring, aggregating and limiting risks should be used, taking into account the collected data. The division is also responsible for operational risk controlling. A country climate risk analysis is carried out every year, applying benchmarks such as the Notre Dame Global Adaptation Index



(ND-GAIN), in order to identify and assess risks due to climate change for the geographical markets of the projects financed by Berlin Hyp.

In order to gain a deeper understanding of how climate change might impact real estate valuations, Berlin Hyp participated in a project with the Swiss start-up Carbon Delta (now known as MSCI Carbon Delta) back in the autumn of 2018. Based on the results for three synthetically compiled real estate portfolios in the Retail, Office and Residential assets classes, initial risk indicators were identified at the property level. For further information, → see chapter Economy, GRI 201-2, page 20.

To assess climate and environmental risks, Berlin Hyp temporarily added an ESG Risk Commission to its sustainability committees for the implementation of the ECB guidelines in 2020. The working group is composed of representatives from risk controlling, valuation, portfolio management and loan, strategy and sustainability management and meets every two weeks. In the reporting year, the measures “Development of a concept for a climate risk analysis of real estate portfolios” and “Review and, if necessary, draft a concept for the extended impact measurement of the entire financed real estate portfolio” were also consolidated in the working group.

GRI 102-12 | External initiatives

Berlin Hyp endorses the following external charters, principles or initiatives relating to sustainability:

- Deutscher Nachhaltigkeitskodex (German Sustainability Code)
- Charta der Vielfalt (Charter of Diversity)
- Green Bond Principles of the International Capital Market Association
- The sustainability initiative of the Zentrale Immobilienausschuss (German Property Federation)
- EMF – ECBC: Initiative on Energy Efficient Mortgages, project Energy efficient Mortgages Action Plan (EeMAP)

GRI 102-13 | Membership of associations

Berlin Hyp employees regularly contribute their experience and expertise to a range of institutions. In this way, Berlin Hyp also ensures that

the company takes into account the industry’s latest standards, including sustainability standards. Among others, we are a member of the following industry and business associations:

- Appraisal Institute
- Arbeitgeberverband des privaten Bankgewerbes e.V. (Private Banking Industry’s Employers’ Association)
- Arbeitsgemeinschaft der Betriebsräte der Immobilien und Pfandbriefbanken (Working group of the works councils of the real estate and Pfandbrief banks)
- BFW – Bundesverband Freier Immobilien und Wohnungsunternehmen e.V. (Association for Private Housing and Real Estate Companies)
- CBRE Financial Council
- Climate Bonds Initiative
- DGNB – Deutsche Gesellschaft für Nachhaltiges Bauen (German Savings Bank Association)
- DSGV – Deutscher Sparkassen- und Giroverband e.V. (German Savings Bank Association)
- DV – Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e.V. (German Association for Housing, Urban and Spatial Development)
- DVFA – Deutsche Vereinigung für Finanzanalyse und Asset Management (German Association for Financial and Asset Management)
- GIF – Gesellschaft für Immobilienforschung e.V. (Society for Real Estate Research)
- HypZert – Real Estate Valuer for Mortgage Lending Valuation
- ULI – Urban Land Institute
- Builtworld
- RICS – Royal Institution of Chartered Surveyors
- vdp – Verband deutscher Pfandbriefbanken e.V. (Association of German Pfandbrief Banks)
- VfU – Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (Association for Environmental Management and Sustainability in Financial Institutions)
- ZIA – Zentraler Immobilien Ausschuss e.V. (German Property Federation)



We also attend the sustainability conferences of various working groups and committees of the aforementioned industry and business associations. In particular, these include the following:

- ZIA Energy and Building Technology Committee
- ZIA Corporate Social Responsibility Working Group
- ZIA Sustainable Finance Working Group
- Working Group for Sustainability of the VfU Forum
- DSGVO Sustainability Working Group
- Working Group for Sustainability in the ZIA Value and Supply Chain

Strategy

GRI 102-14 | Statement from senior decision-maker

Dear Readers,

In the financial year 2020, the coronavirus pandemic confronted us with new challenges following a very promising start at the beginning of the year. The health and wellbeing of our employees, customers and business partners were our primary focus. Our already advanced digital transformation enabled the majority of our workforce to operate from home. Since this not only changed the way we work but also how we interact with each other, we regularly offered digital dialogue formats in the context of our cultural change. This enabled us to maintain the social aspect of working together, which is a top priority for us, and consequently also strengthen the mental health of our employees.

We regard diversity and equal opportunities as a real chance for customers, employees and the company. We value diverse perspectives and are confident that we support our employees in achieving their goals by creating an inclusive environment, and thereby offering our customers a better service. Our long tradition allows us to benefit from the experience of the previous generation, while at the same time respecting the new perspectives and ideas of the upcoming generation. A corporate

culture where everybody feels included is a top priority for our role as a major commercial real estate lender.

The coronavirus pandemic has also enhanced awareness for another global challenge. This relates to the growing global understanding that dedicated measures to protect the climate and the environment are a matter of urgent necessity. In order to achieve the goals defined in the Paris Agreement and the 2030 Agenda, sustainable financial products and services are needed to support the necessary transformation of the buildings sector.

We have a long track record over many years in our core business of leveraging finance for energy-efficient real estate by means of an interest-rate advantage. The adoption of our new far-reaching Sustainability Agenda in the summer of 2020 has taken us a big step forward towards having a climate-neutral building portfolio by 2050. We are committed to the Paris Agreement. Our primary goal is to achieve a continuous CO₂ reduction until we achieve climate neutrality in 2050. In support of this objective, the share of Green Buildings in our financing portfolio is to be increased to 1/3 by 2025. We are expanding our product range with the transformation loan product in order to incentivise the transformation of our real estate portfolio into lower carbon buildings – our biggest challenge. This offer is intended to strategically improve the sustainability performance of the real estate financed by us. So that we are able to achieve this reduction target in an orderly manner, our agenda was supplemented by a transparency target in order to create a robust platform for controlling measures.

In the financial year 2020, Berlin Hyp continued to consolidate its positioning in the green bond market and the Bank remains the most active issuer of Green Bonds in Europe in the commercial bank segment. Our experts in the capital market business have taken the opportunity provided by our new Sustainability Agenda to make a start on drawing up a Sustainability-Linked Bond Framework in order to secure refinancing of our activities for the climate-neutral building portfolio by 2050.



The issuance of the world's first sustainability-linked bond by a bank was carried out in April of the new financial year 2021.

This enables us to give our customers even greater support on their journey and to act as a competent advisor and reliable partner. Our environmental management system has been certified in accordance with EMAS and our updated environmental statement continues to show the advances we have made in environmental management.

We also implement our understanding of #sharinginspiration beyond our company. Our aim is to inspire a vision and initiate change by means of dialogue with external initiatives, associations, other companies in the real estate sector, and our suppliers and service providers. This is because we can only address the major challenges of climate change in unison, identifying new opportunities and responding to them together.

Competition remains intense, and both the pandemic and the climate targets will continue to present us with huge social and economic challenges. We published our fields of action and results for 2020 in the non-financial statement 2020. You will find the report integrated as part of the management report in our Annual Report 2020. The GRI Report presented here is intended to give you a significantly more detailed overview of the values, goals, economic and social action, and sustainability management at Berlin Hyp. We remain committed to the ten principles of the UN Global Compact. This GRI Report is also a Communication of Progress (COP).

I hope you will find the report interesting reading. Stay healthy and safe!

Yours,
Sascha Klaus
Chair of Berlin Hyp's Board of Management



The adoption of our new far-reaching Sustainability Agenda in the summer of 2020 has taken us a big step forward towards having a climate-neutral building portfolio by 2050.”



GRI 102-15 | Key impacts, risks, and opportunities

To be economically successful in the long term, we also act in accordance with economic, environmental and social aspects. Our objective is to assume responsibility to owners, customers, employees, competitors and society that goes beyond the legal requirements. The defined material topics form the basis for our sustainability management and strategic development. We support the important contribution made by the real estate industry to economic and social prosperity through our business activities. The infrastructure developed, realised and maintained creates fundamental and sound values for our economy and is the basis for commercial activity and the housing industry. By financing real estate, particularly Green Buildings, Berlin Hyp makes an important contribution to enhanced and productive infrastructure in Germany and its neighbouring European countries. In doing so, we also contribute to fulfilling the UN Sustainable Development Goal 11: "Make cities inclusive, safe, resilient and sustainable". In addition, we have stipulated requirements and procedures to manage ESG risks (Environment, Social, Governance) responsibly during the course of ordinary business operations. During the reporting year, Berlin Hyp started to expand these further with the aim of complying with the increasing statutory regulations. Within the risk inventory, Berlin Hyp reviewed sustainability risks (Environment, Social, Governance) as overarching risks and classified them as fundamentally relevant risks for the Bank.

Berlin Hyp has also excluded business activities relating to certain critical industries. For example, we do not finance any real estate if its construction or operation is directly related to the creation of genetically modified organisms, armaments or the production of tobacco or alcohol.

Due to the long useful life of real estate, it is in the explicit interest of Berlin Hyp for its clients to build or acquire and operate properties whose long-term value is ensured through professional consideration of environmental, economic and social criteria. When it comes to real estate financing, Berlin Hyp integrates compliance of its customers with statutory regulations relating to construction, environment, planning

and nature conservation into its decision-making processes. This interest is supported by a corresponding product directive, according to which the financing of buildings associated with acts such as labour law and human rights violations must be rejected.

Environmental protection is always an important consideration at Berlin Hyp. As a real estate financier, the Bank has an indirect influence on the environmental and social factors of the properties it finances. For this reason, the overall Bank strategy in the new Sustainability Agenda of Berlin Hyp was used to derive a sustainability target that calls for the Bank to increase the share of green financing in the loan portfolio to 1/3 by 2025.

From our perspective, Green Buildings are distinguished by a high level of energy efficiency – particularly against the background of scarce resources, increasing energy costs and regulatory requirements. We refer to our → [Green Bond Framework](#) for the current Green Building suitability criteria.

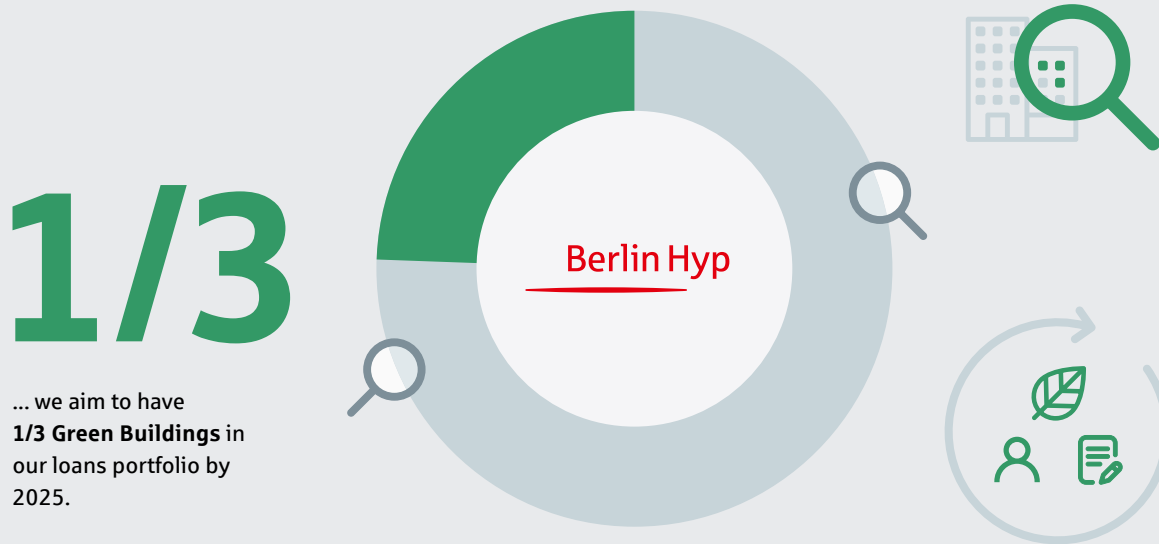
Following the adoption of its far-reaching Sustainability Agenda, Berlin Hyp expanded its product range by launching a new financing product for reducing ESG risks. Berlin Hyp intends to use the Transformationskredit (transformation loan) to finance transformation and refurbishment measures to save energy.



Far-reaching Sustainability Agenda

We are committed to the Paris Agreement and the Climate Paths of the Federal Republic of Germany. Our big objective: → **continuous CO₂ reduction until climate neutrality in 2050**

To achieve that:



... we aim to have **1/3 Green Buildings** in our loans portfolio by 2025.

... we will create **portfolio transparency**, systematically record energy values, calculate CO₂ emissions and determine the climate risks of existing properties.

... we will introduce **new sustainability products** – the first step is the **Transformationskredit** (transformation loan).



Ethics and Integrity

GRI 102-16 | Values, principles, standards, and norms of behaviour (UNGC: Principle 10)

In its efforts to make its business operations sustainable, Berlin Hyp goes beyond simply complying with applicable laws and external regulations. It also makes voluntary commitments, for example to the UN Global Compact, and has introduced various internal policies that provide the employees of our company with clear guidance on how to conduct themselves. These include the following:

- → **Guideline on sustainable real estate financing**
- Guideline on human rights, diversity and inclusion at Berlin Hyp
- Environmental management system guideline
- Annex to the framework contract for suppliers and service providers
- → **Guideline on stakeholder communication**
- → **Sustainability in Berlin Hyp's Securities Account A**
- → **Lobbying guideline**
- Guideline on handling tax requirements
- → **Code of Conduct**
- Guideline on social and environmental product responsibility
- Guideline on responsible conduct towards customers in financial difficulties
- → **Guideline on responsible conduct towards customers**
- → **Corporate citizenship guideline**
- Guideline on sustainable purchasing of office supplies, IT equipment

In addition, the Code of Conduct summarises existing regulations and is binding both for Berlin Hyp as a company and for each individual employee.

Governance

GRI 102-18 | Governance structure

Berlin Hyp is managed by a Board of Management with overall responsibility. In the reporting year 2020, it was comprised as follows:

- Sascha Klaus (Chair)
- Gero Bergmann (Chief Market Officer)
- Alexander Stuwe (Chief Risk Officer/CRO), since July 2020)

Alexander Stuwe joined the Board of Management of Berlin Hyp AG on 1 July 2020. Previously he was Chief Representative. On 31 December 2020, Gero Bergmann stepped down from the Board of Management of Berlin Hyp AG. He will be succeeded by Maria Teresa Dreo-Tempsch. She joined the Board of Management in May 2021, meaning that the Board of Management of Berlin Hyp will continue to have three members.

On 1 September 2020, Sascha Klaus took over as Chair of the ESG Board. Representatives from the divisions of the Bank meet regularly to drive forward, manage and discuss all the company's ESG topics.

GRI 102-35 | Remuneration policies

Berlin Hyp is subject to the regulatory requirements of the Institutsvergütungsverordnung (Institute Remuneration Ordinance). Members of the Board of Management receive fixed remuneration as well as variable components dependent on the company's performance. The remuneration policy is reviewed at regular intervals by the Supervisory Board. The Bank provides support for the Remuneration Control Committee to this end. The members of the Supervisory Board receive a fixed remuneration for their work; this amount is stipulated in the Articles of Association. No variable remuneration is paid. The remuneration of the highest-level controlling body is not linked to performance criteria with respect to social, economic or environmental topics. The variable remuneration component of the members of the Board of Management



and executive managers is determined on the basis of attainment of agreed targets (individual target agreement), taking into consideration both quantitative and qualitative remuneration parameters that are consistent with the strategies and support the attainment of the strategic targets. The underlying topics focus on economic, social and environmental considerations. Since 2018, a claw-back clause has been in place for variable remuneration in accordance with the requirements of the Remuneration Ordinance for Institutions in the Supervisory Board Guideline relating to remuneration for the Board of Management. It was also included in the remuneration systems for employees covered by collective wage agreements and for those not covered by collective wage agreements. At the beginning of 2019, an agreement was concluded for a Committee of Spokespersons and a Works Committee in order to provide uniform implementation for the requirements of the regulator throughout the company. For details of the payments made to members of governance bodies, → see [Annual Report 2020, page 104](#).

GRI 102-38 | Annual total compensation ratio

In 2020, the median of the compensation for employees including members of the Board of Management without the highest remuneration at all locations was € 76,362.78 (2019: € 78,745.61; 2018: € 77,667.61). This figure includes part-time capacities that were not converted to full-time equivalents. In 2020, the maximum annual remuneration including fixed and variable components was 9.9 times above the median of remuneration for all employees (2019: 9.1 times, 2018: 7.9 times).

Stakeholder Engagement

GRI 102-40 | List of stakeholder groups

We maintain regular dialogue with our key stakeholders: customers and employees, policymakers, administrative bodies, the public and media, environmental and social organisations, suppliers and unions, business partners and competitors, as well as capital market representatives.

GRI 102-41 | Collective bargaining agreements (UNGC: Principle 3)

34.7 percent of the employees were employed on the basis of a collective bargaining agreement (2019*: 35 percent, 2018: 37.6 percent). The higher proportion of employees working on non-tariff contracts on a sector comparison can be specifically justified by the fact that Berlin Hyp is a specialist bank in which expertise is primarily associated with higher levels of classification, → see [section Society, GRI 407, page 46](#).

*The year-earlier value for 2019 published in the GRI Report 2019 was corrected.

GRI 102-42 | Identifying and selecting stakeholders

Stakeholders who are directly or indirectly affected by Berlin Hyp's business activities and whose opinions and actions directly or indirectly impact Berlin Hyp's business activities are of particular relevance for Berlin Hyp. The Sustainability Management team reviews stakeholders' relevance assessments at least once a year.

GRI 102-43 | Approach to stakeholder engagement

We employ established discussion formats to engage with various social groups important to us in order to identify our stakeholders' sustainability perceptions and requirements early on and to respond appropriately and swiftly. Dialogue with stakeholder groups is itself an integral part of daily business processes.



In addition, Berlin Hyp uses the following formats:

- Customer satisfaction analyses
- Customer events
- Customer complaints management
- Dialogue events between the Board of Management and all employees
- Employee satisfaction analyses
- Employee Sustainability Day
- Staff meetings
- Dialogue with the Works Council within the scope of the statutory consultation and notification obligations
- Informal discussions and deliberations with management personnel
- Investor roadshows
- Work performed by bodies and associations
- Round-table discussions with representatives of the sector
- ESG Board

In autumn 2018, we also used a browser-based survey (“Systain Survey Engine”) to ask our stakeholders to provide an assessment of our key sustainability topics. The participants were drawn from the following stakeholder groups:

- Employees
- Investors/customers
- Capital market/analysts
- Owners
- Media
- Academia
- Environmental and social associations
- Other

We carry out this survey every two years. In view of the unusual situation due to the coronavirus pandemic, which persisted throughout the financial year, the direct stakeholder survey actually due was postponed until 2021.

GRI 102-44 | Key topics and concerns raised

All stakeholders of Berlin Hyp are particularly concerned about dedicated commitment to conduct in accordance with statutory regulations and regulatory principles. Our customers, owners, and employees and society expect the business model to be profitable and business operations to be responsible. While customers are focused on forward-looking customer relations, our employees would like to have an attractive employer. The forward-looking approach is also reflected in the key issues for our customers of powerful innovation, and activities in the areas of Green Bonds and digitalisation.

Reporting Practice

GRI 102-45 | Entities included in the consolidated financial statements

Berlin Hyp holds 100 percent of the capital and voting rights in Berlin Hyp Immobilien GmbH. Pursuant to Section 296 (2) German Commercial Code (HGB), Berlin Hyp Immobilien GmbH is of subordinate importance for Berlin Hyp. The company has no other investments in companies that would require the preparation of consolidated financial statements.

As a result, Berlin Hyp is not required to prepare consolidated financial statements. For details, see the list of shareholdings pursuant to Section 285 Nos. 11 and 11a HGB in the notes to the respective annual financial statements.

GRI 102-46 | Defining report content and topic Boundaries

Berlin Hyp regularly conducts a stakeholder survey every two years in order to gauge the opinions of our stakeholder groups. In view of the exceptional situation of the coronavirus pandemic, which persisted throughout the financial year, a direct stakeholder survey was postponed until 2021. The materiality analysis based on the survey conducted in 2018 was reviewed and adjusted on the Berlin Hyp ESG Board. The aim was to assess whether it still represented current opinions and it



was then amended as necessary. On the one hand, it verified the extent to which the business activities of Berlin Hyp have a significant impact on the individual sustainability aspects. On the other hand, it examined whether the sustainability aspects were relevant to the understanding of business development, the results and Berlin Hyp's position. The survey carried out in 2018 used a conjoint-based procedure directed towards achieving statistically significant prioritisation not influenced by socially desirable answers or interviewer bias. Top priorities for our stakeholder groups were the topics of observing climate-protection criteria and climate risks, responsible organisation for the digitalisation of processes, and promotion of an open and fair workplace culture.

The second step related to subjecting the results to an evaluation in cooperation with the management. Firstly, we carried out a review in order to assess the extent to which the business activity of Berlin Hyp exerted a significant impact on individual aspects of sustainability. An investigation was also carried out into whether sustainability aspects were relevant for the understanding of the business performance, business results and position of Berlin Hyp. In the third step, the topics determined as material were allocated to the individual topic-specific standards. The disclosures under GRI 102-47 list all the topic-specific standards that were identified as relevant for reporting.



GRI 102-47 | List of material topics

	Material topics	Topic-specific standards
Employee-related matters	Promotion of an open and fair working environment	GRI 402: Labour/Management Relations GRI 403: Occupational Health and Safety GRI 404: Training and Education GRI 406: Non-discrimination
	Fair remuneration policy, appropriateness of commissions and bonuses	GRI 401: Employment GRI 405: Diversity and Equal Opportunity GRI 407: Freedom of Association and Collective Bargaining
Social issues	Protection of personal information of employees, customers and business partners	
	Consideration of social criteria when issuing bonds	GRI 418: Customer Privacy
	Provision of safe/stable financial products	GRI 201: Economic performance
	Transparent presentation of the impacts, opportunities and risks of the portfolio	GRI 203: Indirect Economic Impacts GRI 417: Marketing and Labelling
Fight against corruption	Anti-corruption and anti-competitive behaviour	GRI 205: Anti-corruption
	Tax honesty	GRI 206: Anti-competitive Behaviour
	Prevention of money laundering and terrorist financing	GRI 207: Tax
Environmental matters	Consideration of environmental criteria when issuing bonds	GRI 307: Environmental Compliance
	Consideration of climate protection criteria in the selection of financing products	GRI 201: Economic Performance
	Consideration of criteria for conserving resources and protecting biodiversity in the selection of financing projects	
	Reduction of environmental impacts at our locations	
Human rights	Corporate human rights due diligence and consideration of social criteria when selecting financing projects	GRI 201: Economic Performance GRI 412: Human Rights Assessment GRI 419: Socioeconomic Compliance GRI 414: Supplier Social Assessment
Other	Responsible design for the digitalisation of processes	GRI 418: Customer Privacy



In order to comply with the transparency requirements of relevant ratings, we are also reporting on the following topic-specific standards:

- GRI 301: Materials
- GRI 302: Energy
- GRI 303: Water and Effluents
- GRI 305: Emissions
- GRI 306: Effluents and Waste
- GRI 413: Local Communities
- GRI 415: Public Policy

GRI 102-48 | Restatements of information

Any necessary restatements of information provided in the 2019 GRI Report are noted as footnotes in the running text or tables.

GRI 102-49 | Changes in reporting

The limits of the report are unchanged.

GRI 102-50 | Reporting period

1 January 2020 – 31 December 2020

GRI 102-51 | Date of most recent report

1 January 2019 – 31 December 2019

GRI 102-52 | Reporting cycle

The GRI report has been published annually since 2013.

GRI 102-53 | Contact point for questions regarding the report

Berlin Hyp AG
Sustainability Management
Matthias Arnheiter
Corneliusstr. 7
10787 Berlin
Germany
Email: matthias.arnheiter@berlinhyp.de

GRI 102-54 | Claims of reporting in accordance with the GRI Standards

This report was prepared in accordance with the GRI Standards: Core option.

GRI 102-55 | GRI content index

This GRI Report has been prepared in the form of a table.

GRI 102-56 | External assurance

The consumption data, the method of collecting data, CO₂ emissions from the operational ecology as well as our environmental management are verified externally by GUT Zertifizierungsgesellschaft für Managementsysteme mbH, Berlin, Germany, as part of the external validation of environmental statements pursuant to EMAS. The economic key indicators, where these are audited as part of the annual financial statements, are verified by Berlin Hyp's auditor.



Material Topic Economy



Economy

The overarching goal of Berlin Hyp is sustainable and long-term success for the company – in the interests of our customers, our employees and society. We strive to achieve this result by concentrating on our core activities, aligning our offerings for our customers continually to the marketplace and where possible expanding them. In the reporting year, the product range of Berlin Hyp was expanded by a new sustainability product. Berlin Hyp offers the Transformationskredit (transformation loan) as a loan at a favourable interest rate to finance transformation measures or refurbishment measures to save energy.

The following section of the GRI Report primarily presents you with in-depth information on Berlin Hyp's economic performance and business activities, income and expenses. We address the opportunities and risks of our business – also against the background of climate change – and we explain how we will be able to make best use of them for our business and take account of them in our company structures. Furthermore, the handling of investments and projects is outlined, along with different approaches, and other considerations are listed primarily with reference to sustainable investments. An explanation is given of how Berlin Hyp deals with these issues and which aspects are to be more firmly anchored within the corporate strategy in future.

Furthermore, an insight is given into application of our values, principles and methods in our corporate environment, and their requirements are elucidated.

GRI 201: Economic Performance 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

As a financial institution with some 150 years of experience in the real estate lending business, Berlin Hyp knows all about long-term and sustainable growth. We have resolved to strengthen our position as one of the leading commercial and real estate financiers with the most stable earnings in Germany. For us, this means participating in numerous major real estate transactions in Germany, alone or within the syndicate, and maintaining a stable customer base thanks to the quality, speed and reliability of our customer service and loan processing. We aim to strengthen our significance as a partner and have therefore set up a decentralised sales structure which has been aligned with the needs of the savings banks. Berlin Hyp's business policies are managed on the basis of an annual strategy and planning process in compliance with regulatory requirements and the risk strategy approved by the Board of Management. In particular, the financial statements, budgets, financial and risk reports prepared in accordance with German commercial law and regulatory requirements, as well as the liquidity and new business plans, are the Bank's central management tools. Potential deviations and their causes are analysed on the basis of budget/actual comparisons.

In addition to financial performance indicators, this is achieved using various non-financial performance indicators that also take into account sustainability aspects:

- Market: new customer recruitment, target portfolio and S-Group business
- Employees: employee structure, motivation, management and development
- Sustainability: green issuances, green financing, sustainability rating and compliance



Projects and granted loans are regularly checked as part of our risk management. For further information, → see [Annual Report 2020, from page 64](#).

Our conduct towards customers with payment difficulties is based on the 18 Principles of the European Banking Authority set out in its opinion paper: "Good Practices for the Treatment of Borrowers in Mortgage Payment Difficulties". This means that customers with potential payment difficulties are identified by an early-warning monitoring system and contacted by specially trained staff. They are then provided with selected information sources and allowed to submit their own payment concept.

GRI 201-1 | Direct economic value generated and distributed

Net cash from Berlin Hyp's operating activities is mainly derived from interest and commission income, which amounted to € 411.7 million in 2020. This amount was offset by interest and commission expenses of € 78.6 million. Berlin Hyp incurred operating costs, in the stricter sense, primarily from administrative expenditure of € 173.2 million, which includes staff expenditure of € 82.0 million. Other administrative expenditure amounted to € 70.1 million. This item also includes the expenditure of the annual contribution to the European Bank levy (€ 13.4 million), which serves to establish a Single Resolution Fund (SRF) within the EU's banking union.

The other operating result (€ -1.7 million) was mainly accounted for by risk provisioning. The operating result before risk provisioning amounted to € 158.2 million. During the reporting year, a risk provision of € 81.4 million was formed, netted in respect of our lending business. The valuation result for the securities in the liquidity reserve showed a gain of € 19.8 million.

On balance, this resulted in a net gain for risk provisions of € 61.6 million. The operating result after risk provisions came to € 96.6 million. In spite of the formation of provision reserves to boost our regulatory

capital amounting to € 70 million, through a further allocation to the fund for general banking risks in accordance with section 340g of the German Commercial Code (HGB), we were able to transfer a profit of € 23.4 million to our parent company (Landesbank Berlin Holding AG, Berlin), with whom we have a tax unity for sales tax and income tax purposes. Accordingly, for fiscal 2020, income-tax expenses of T€ 239 as well as other tax expenses of T€ 171 remained in the profit and loss account of the separate financial institution Berlin Hyp AG. No significant tax payments are incurred in the individual regions because we are part of Landesbank Berlin Holding and there is consequently a profit transfer agreement in place. In the year under review, Berlin Hyp donated some T€ 72 to various not-for-profit organisations in Berlin.

You will find an overview of the key indicators in our → [Annual Report 2020, page 1](#).

GRI 201-2 | Financial implications and other risks and opportunities due to climate change

Berlin Hyp performs a climate risk analysis every year to identify and assess the risks that climate change poses to the projects it finances. Given their type, intended use and geographic location, the financed real estate is exposed to climate risks (storm damage, heavy rainfall, flooding, extreme temperatures). At the same time, after publication of the EU Action Plan for Financing Sustainable Growth, the regulatory pressure on CO₂ intensive sectors was increased in order to enable climate targets to be achieved. German and European policymakers are currently engaging in a multitude of other deliberations and discussions that will exert an impact on real estate companies and hence also on Berlin Hyp. The reduction of CO₂ emissions and CO₂ pricing are at the top of the agenda. In 2020, we defined new targets on these deliberations and adopted a far-reaching Sustainability Agenda. We intend to improve climate protection and social responsibility, for example in relation to affordable living space, also has a high priority for Berlin Hyp. We are aware that the demand for sustainable products will continue to increase in the future. In 2020, Berlin Hyp issued two Green Pfandbriefe



within one year and made its foreign currency debut on the Swiss capital market, where it placed a green senior preferred bond in CHF. Furthermore, Berlin Hyp also issued its first green private placements. The Bank is aiming to continue as the pacemaker for the green financing segment. In the reporting year, Berlin Hyp started to work on a sustainability-linked bond framework. The product range could be further expanded by a social bond.

In order to gain a deeper understanding of how climate change might impact real estate valuations, Berlin Hyp participated in a project with the Swiss start-up Carbon Delta (now known as MSCI Carbon Delta) back in the autumn of 2018. Based on the results for three synthetically compiled real estate portfolios in the Retail, Residential and Office asset classes, initial risk indicators were identified at the property level.

In the reporting year, the measures “Development of a concept for a climate risk analysis of real estate portfolios” and “Review and, if necessary, draft a concept for the extended impact measurement of the entire financial real estate portfolio” were also consolidated in the working group “ESG Risk Commission”.

The findings from the previous risk analysis have had a significant influence on the Sustainability Agenda adopted in 2020 and the transformation loan concept. By incentivising the transformation of existing buildings into lower carbon buildings, Berlin Hyp is taking a new approach towards reducing the negative impacts of buildings on the climate and the environment. Resource conservation criteria and biodiversity protection are important considerations for Berlin Hyp when selecting financing projects. In particular, it is observing the development of the technical assessment criteria of the EU taxonomy for the protection of ecosystems and biodiversity. The EU is expected to submit the relevant criteria by the end of 2021. Berlin Hyp will then evaluate the impact of the criteria on its business and how it can make a positive contribution to achieving the goals.

Our business strategy consistently calls for expanding green financing and the transformation of portfolio buildings to more energy-efficient properties. For further information on Green Finance, → see **Opportunities, Forecast and Risk Report in our Annual Report 2020, from page 36.**

GRI 201-3 | Defined benefit plan obligations and other retirement plans

Pensions are an important component in the context of additional benefits provided by Berlin Hyp as an employer. Consequently, there are several different corporate pension schemes that have come into being as a result of the history of the company. These schemes are direct promises by the employer that are entirely financed by the employer. Options are granted depending on the pension scheme, retirement pension, early retirement pension, disability pension, widow's pension and orphan's pension. For detailed information on the liabilities and on explanations of the provisioning for pensions, → see **Annual Report 2020 page 81 and 90.**

GRI 201-4 | Financial assistance received from government

Berlin Hyp did not receive any financial support from government agencies.



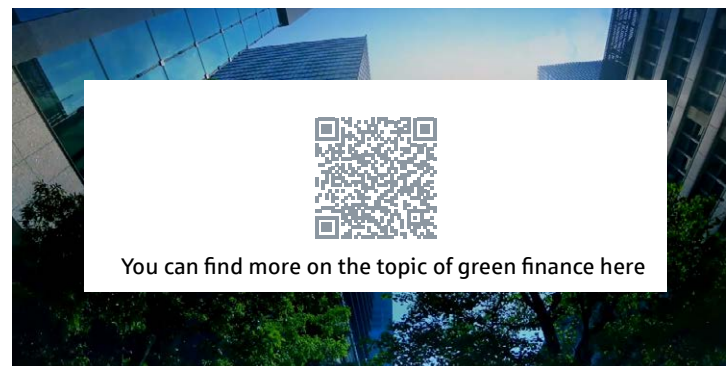
GRI 203: Indirect Economic Impacts 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

For the Bank's own investments (Securities Account A) at Berlin Hyp, we use a special filter that allows us to give the same weight to social and environmental considerations as to the economic goals of financial investments. It has established ethical investment criteria based on the ten principles of the UN Global Compact, other internationally recognised sustainability standards and the Bank's compliance requirements. The risk filter used by RepRisk AG for the Bank's own investments (Portfolio A) at Berlin Hyp is based on these criteria. It is applied to the Bank's own investment business with the aim of giving equal consideration to the sustainable aspects of investing and the economic objectives of investing in securities. The analysis of Portfolio A and future investment decisions are based on the online database of RepRisk AG for the risk exposure of companies, projects, sectors and countries with regard to ESG issues. RepRisk AG assesses risks related to the destruction of the environment, human rights violations, child labour, forced labour, fraud and corruption that can negatively affect an organisation's reputation and financial profitability or lead to compliance issues. If the semi-annual review of Portfolio A by Sustainability Management reveals violations of the filter criteria, the Treasury consults with Sustainability Management on the actions to be taken. The Treasury and Sustainability Management have jointly discussed the anomalies that occurred in 2020. For further information, → see [Annual Report 2020, page 74](#).

Green Finance is a key aspect of the corporate strategy at Berlin Hyp. Since 2015, Berlin Hyp has had an important sustainability building block in its value chain with the issuing of Green Bonds for refinancing green assets. They enable the Bank to offer investors value added extending beyond the creditworthiness of the Bank or its cover funds. Green Bonds are issued in the form of green Pfandbriefe and green senior unsecured bonds. The financing of Green Buildings, among other things, represents an element of the Bank's sustainability activities that

relate directly to its core business, commercial real estate financing. In order to promote Green Finance, loans for Green Buildings are incentivised with up to ten basis points. In the annual reporting for 2020, we will provide information about a further increase in CO₂ savings within the Green Finance portfolio and a further reduction in the criteria for office buildings, → see www.berlinhyp.de/en. We achieved the target of “making 20 percent of the loan portfolio green in 2020” in 2019.



You can find more on the topic of green finance here

GRI 203-1 | Infrastructure investments and services supported

Berlin Hyp makes an important contribution to achieving a sound, productive infrastructure in Germany and Europe through real estate financing. For example, we support social housing construction and the modernisation of existing social housing properties.

Berlin Hyp's ordinary business activities usually only relate to certain real estate projects in European, high-income OECD states. These countries generally have high to very high environmental, social and governance (ESG) requirements. Based on our own standards, we go beyond meeting these requirements.

In terms of the environment, we favour projects that focus on concepts such as “reduce, reuse, recycle” or “cradle to cradle”. The financing of Green Buildings represents a part of the sustainability measures that is directly related to the core business. Berlin Hyp is expanding its range



of products that contribute to sustainable development through the establishment of the new loan product Transformationskredit (transformation loan). The transformation loan is a loan which can be used to finance transformation measures such as refurbishment measures to save energy. In addition to its importance for the real estate industry, Berlin Hyp's business activities are also relevant for the finance industry, as we provide investors with the opportunity to invest their capital securely through various products. We also increasingly provide explicitly sustainable capital investments.

Further information on the impacts and targets of these investments can be found on our website: → www.berlinhyp.de/en.

Last year, we continued to share the experience we gained in Green Bonds with the Association of German Pfandbrief Banks (vdp). The Bank transferred the name rights in Grüner Pfandbrief and Green Pfandbrief to the association in 2019 and it has since been working together with other banks issuing Pfandbriefe (bonds) to draw up minimum standards for Green Pfandbriefe. Furthermore, Berlin Hyp continued to support the news portal Sustainabonds established in 2017. Since June 2018, Berlin Hyp has been a pilot bank for the Energy Efficient Mortgages Initiative of the European Covered Bond Council and the European Mortgage Federation. The aim is to establish mortgage loans for financing more energy-efficient real estate throughout Europe.

GRI 203-2| Significant indirect economic impacts

Our commitment to the community in which we live and work empowers us to make a positive contribution to Berlin Hyp's wider social community.

As part of our long-standing partnership with Kinderhaus Berlin-Mark Brandenburg e.V., we support the social wellbeing of children and young people, and make a contribution to safeguarding the living space and community for these individuals. Our employees were also proactively involved in Kinderhaus and made donations – such as “Schultüten” (goodie cones for children starting school) or basic items for a new apartment. Many of our employees and management personnel were also actively involved in various not-for-profit organisations.

Last year, Berlin Hyp supported company sports club Betriebssportgemeinschaft Berlin Hyp e.V. with a donation of € 35,000. In addition to its social commitment, Berlin Hyp, in its role as an employer and contractor, exerts a positive impact on economic and social development at its locations.

The schemes we finance include real estate projects which have a sustainable economic benefit for our environment and community neighbourhood alongside the benefit to our company. Examples of these initiatives include real estate projects, which also involve infrastructure upgrades and hence foster the community approach of our company, enhance the immediate environment and promote the creation of living space.

Furthermore, we also promote the financing of sustainable real estate, which exerts a positive impact on our environment and the climate. In these projects, we enter into dialogue with our customers as trusted partners and engage with their needs and aspirations on an individualised basis.

Our aim is to be a valuable business partner for the Sparkassen and make a positive value-added contribution to the success of the Sparkassen-Finanzgruppe over the long term. As an S-Group partner, we engage in constructive dialogue with the Sparkassen and provide the savings banks with a comprehensive range of products and services – for example collateralised real-estate debentures (ImmoSchuldschein), ImmoAval, real-estate valuations and much more besides.



GRI 205: Anti-corruption 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

Our Code of Conduct describes all values, principles and methods which characterise Berlin Hyp's business activities. It includes the voluntary commitment of all Berlin Hyp employees to customers, sales partners, service providers and other market participants to act in an ethical and lawful way. Together with our guiding principles on sustainability, it serves to secure and increase the company's value. In order to ensure ethical and lawful conduct, the Bank's compliance activities focus on preventing money laundering, the financing of terrorism, insider trading, fraud, corruption and other criminal acts relating to our business activity. For example, Berlin Hyp has implemented measures to prevent money transfer fraud, identify fraud attempts at an early stage and minimise losses. Compliance risks are continuously analysed and documented in a risk report.

The topics of compliance and legality are key concerns of Governance. The head of the Governance division also assumes the function of the Compliance and Anti-Money Laundering Officer. The management is informed by the Compliance Department about the state of compliance management in the company at regular intervals. In addition, incident-related notification is given on an ad hoc basis in the event of serious breaches of compliance rules. The Compliance Department reports to the Supervisory Board at least once a year. Risk analysis forms the basis for evaluating and minimising potential risks from money laundering, terrorism and other criminal acts. It is carried out once a year and covers all locations. The analysis also includes fraud risks – including corruption – and assesses the relevant controlling activities of the units. The Bank regularly reviews the preventive measures derived from the risk analysis and supplements them as required. We also analyse identified or suspected cases across the entire sector in order to improve preventive measures and preclude future risks as effectively as possible. In addition, the correct implementation of internal company regulations is

checked on a regular and – if necessary – ad hoc basis by Internal Audit, which reports directly to the Board of Management.

Berlin Hyp does not tolerate any form of corruption or bribery. Berlin Hyp has binding guidelines in place with regard to the giving and receiving of gifts, perks and invitations to events so as to ensure that unequivocal decisions are made. As a further preventative measure, the ordering and purchasing process is centrally embedded in the Finance division. This organisational unit has been created as an office with responsibility for ensuring that all ordering is carried out in a uniform manner. All tender procedures are coordinated here. Furthermore, all tenders are supported by the Compliance Department.

GRI 205-1 | Operations assessed for risks related to corruption

All business locations are subject to continuous monitoring by Compliance and Internal Audit. For this purpose, all transactions are checked by machine.

On-site checks were not carried out, because the risk assessment did not identify any significant corruption risks. No irregularities were found in 2020.



GRI 205-2 | Communication and training about anti-corruption policies and procedures

At the end of 2020/beginning of 2021, all employees and the members of the Board of Management took part in web-based training sessions on compliance/prevention of money laundering.

GRI 205-3 | Confirmed incidents of corruption and actions taken

No incidents of corruption were reported at Berlin Hyp in 2020.

GRI 206: Anti-competitive Behaviour 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

In addition to our measures relating to corruption, bribery, donations and sponsoring, we also prohibit the preparation or arrangement of agreements to restrict competition. Berlin Hyp treats competitors fairly and with respect. As a rule, all employees are urged to avoid conflicts of interest and, where ethical doubts arise, contact a supervisor or a compliance and/or anti-money laundering employee. Berlin Hyp expressly does not tolerate employees committing criminal acts. We pursue any cases uncovered applying the “zero tolerance principle”. All criminal, employment and civil consequences will be pursued in the event that an employee has demonstrably committed a criminal offence. We have taken comprehensive measures to prevent, uncover and adequately respond to fraudulent activities, making use not only of internal options, but also of relevant external information. For this purpose, we have implemented an external whistleblowing system for employees, customers, subcontractors and suppliers, so that any suspected illegal or unethical conduct can be anonymously reported and pursued.

GRI 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

There were no legal actions pending or being prepared during the reporting year.

GRI 207: Tax 2019

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

Berlin Hyp with registered office in Berlin makes a contribution to economic and social wellbeing particularly in the State of Berlin. As part of its business model, income from interest and commission business is generated and hence profits, salaries of employees and taxes are paid. The profit is transferred to the sole shareholder Landesbank Berlin Holding, also with registered office in Berlin.

GRI 207-1 | Approach to tax

Berlin Hyp and sole shareholder Landesbank Berlin Holding have a profit and loss transfer agreement based on the structural arrangements. A detailed analysis of a tax strategy or approaches to taxation only makes limited sense owing to the structural arrangement, and details will not therefore be outlined here. For further information on our taxes, → see [Annual Report 2020](#).

GRI 207-2 | Tax governance, control, and risk management

See GRI 207-1

GRI 207-3 | Stakeholder engagement and management of concerns related to tax

See GRI 207-1



Material Topic Environment



Environment

Berlin Hyp has the objective of keeping negative environmental impacts arising from its business operations as low as possible in keeping with what is appropriate for a company in the finance sector. On the basis of this aim, we developed and published an environmental policy for the first time in 2014. This guideline applies to the operational and product ecosystem. The environmental policy is reviewed annually by the management and has undergone further development since the launch of our environmental management system and expanded by current topics.

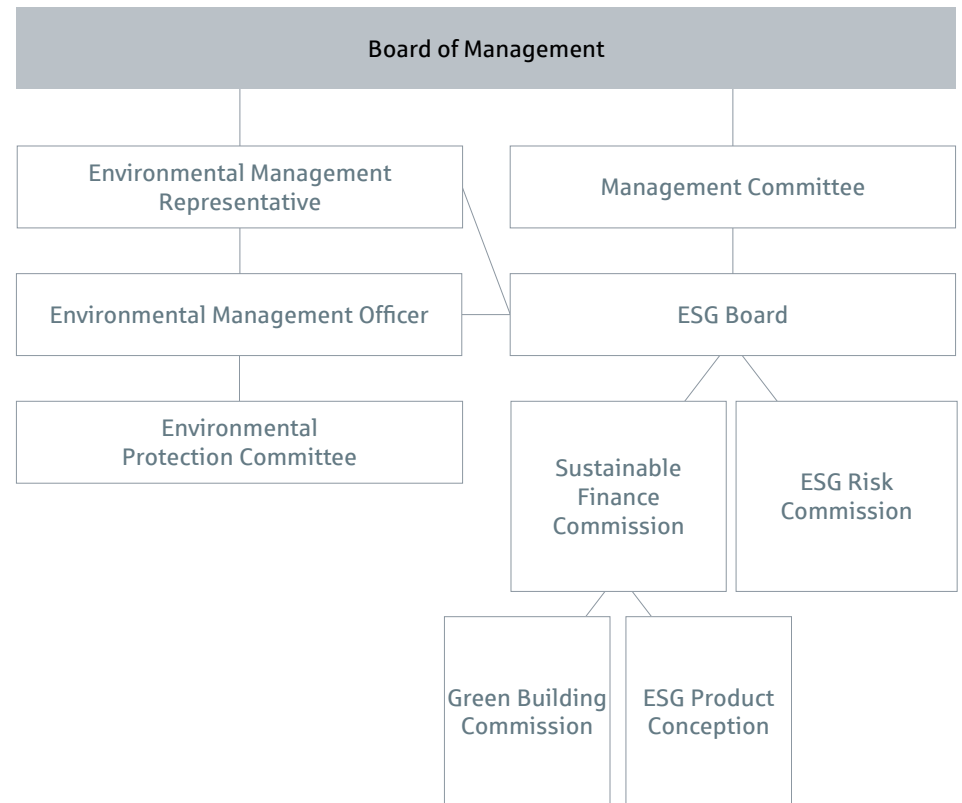
All employees receive information on this topic from various publications on the intranet and also, for example, through training sessions on the environmental management system. This enables them to contribute to the binding commitment to these principles.

All the environmental impacts of our business operations are determined by the context of the company. They are regularly reviewed and assessed. Driving forward the environmental programme with establishment of all the derived environmental objectives is a dynamic process with the aim of achieving the continuous improvement of our environmental performance. New measures are included on an annual basis.

Environmental management system

Berlin Hyp's Board of Management is responsible for developing and operating the environmental management system. All those with operational responsibility for environmental management report to the Board of Management.

Organisational structure of EMS at Berlin Hyp AG





Our environmental performance is managed on the basis of specific environmental key indicators (emissions). The environmental indicators presented in the report reflect Berlin Hyp's business activities, including the domestic and foreign locations. The environmental key indicators are determined on the basis of the calculation tool provided by the Association for Environmental Management and Sustainability in Financial Institutions (VfU).

The VfU key indicators and the associated calculation tool are revised by a VfU project group every two to three years; this is done to incorporate international advancements in environmental indicator systems and greenhouse gas (GHG) footprinting standards. Detailed information on the current methodology and calculation of the VfU environmental key indicators is provided at: → www.vfu.de.

Environmental management can only be successful if all employees play their role. This is why we place great importance on involving all employees who are a driving force for continuous improvement of environmental performance and successful embedding with the organisation. For example, the Works Council is represented on the Environmental Protection Committee and is kept up-to-date at all times.

Since November 2020, our ideas management has been reorganised. Since then, all employees have been encouraged to discuss their ideas for improvement of sustainability in various exchange formats (IT Community, Culture Board or ESG Board) or with the responsible specialist departments.

Our environmental policy defines the framework for measurable environmental objectives and appropriate measures. Berlin Hyp aims to reduce the following environmental impacts:

Berlin Hyp's environmental impacts

Area	Environmental impact	Examples of application
Material usage (paper usage)	Energy, water and resource consumption (wood)	Copy paper, printed materials
Energy consumption	Emissions, augmentation of the greenhouse effect, resource consumption	District heating, electricity
Waste generation	Ecotoxicity, use of disposal sites, groundwater contamination	Waste paper, hazardous waste
Water consumption	Resource consumption, wastewater generation	Cooling, kitchens, sanitary facilities
Business trips	Emissions, augmentation of the greenhouse effect	Company cars, road traffic, rail and air traffic
Product ecology	Emissions, sealing	Real estate financing

In our environmental programme, which we update every year, we document our measures for the ongoing development of environmental performance each year. A detailed overview of objectives, measures and timetables is provided online, → www.berlinhyp.de/en. An environmental management system pursuant to EMAS (Eco Management and Audit Scheme) was introduced in 2016 at our headquarters in Berlin, Germany, to identify and manage our environmental performance.

We have an obligation to our customers, owners, employees, suppliers and society to act responsibly and we aim to achieve sustainable development overall within the context of the UN Sustainable Development Goals (SDGs).

Berlin Hyp is building a new corporate headquarters at the Bank's long-standing location at Budapester Strasse 1 in Berlin-Tiergarten. The new headquarters will bring all employees in Berlin, who up to now have been separated into two different buildings, together into a single building. Up to now, they were divided into two separate buildings. The



Bank is seeking to achieve certification for the new corporate headquarters according to the very high standard set by the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB). This is part of Berlin Hyp's long-term sustainability strategy. The new headquarters will enable the Bank to reduce its energy consumption by over 50 percent in comparison to the old building, in addition to significantly lowering operating costs.

The architecture of the new building will reduce CO₂ emissions with its special design of outdoor areas and open spaces. To give an example, this reduction will be made possible by installing photovoltaic systems on the entire façade and on part of the roof. When demolishing the old building, the real estate bank will take care to recycle and dispose of the materials in an environmentally friendly manner. The majority of small office furniture, materials and equipment from the building that are no longer needed have been donated or auctioned off and were therefore put to further use. The environmental management system is firmly embedded throughout the Bank's demolition process and the new construction project.

For more detailed information, → [see environmental statement](#).

GRI 301: Materials 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3) (UNGC: Principles 7, 8)

Berlin Hyp has defined a series of objectives in order to reduce the consumption of raw materials and to improve material efficiency, including specifically the consumption of paper. Apart from continuous reduction of printouts, these include the use of recycled paper, and increasing digitalisation. As a result of these measures, 30,000 sheets of paper/year used for the dispatch of the "Cover Register" could be saved each year.

GRI 301-1 | Materials used by weight or volume (UNGC: Principle 7, 8)

The business of Berlin Hyp is not classified as manufacturing. We provide a detailed report on the material required in our → [environmental statement](#).

Paper consumption in kg

	2020	2019	2018	Year-on-year change in %
Copy paper	2,350	4,042	7,479	-41.8
Printed materials and sundry	1,800	2,100	2,635	-14.3

Paper is the material most relevant to Berlin Hyp's business operations. The figures for paper consumption are based on the quantities of paper newly purchased. The overall proportion of FSC-certified paper is 90 percent. 624 kg of recycled paper were also purchased for printed materials in the reporting year and 783 kg of paper were procured for business reports, customer newsletters and brochures, as well as 741 kg of other paper products (business cards, stationery and envelopes) and 275 kg of cardboard products.

GRI 301-2 | Recycled input materials used (UNGC: Principle 7)

We only use FSC-certified office and copy paper.

GRI 302: Energy 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3) (UNGC: Principles 7, 8, 9)

Optimisation of energy and resource management, and the use of renewable energy are the key concern of our operational environmental management in order to consistently reduce operationally related greenhouse gas emissions. Over recent years, building management has



offered us some particularly good opportunities for minimising environmental burdens.

GRI 302-1 | Energy consumption within the organisation (UNGC: Principles 7, 8)

Energy consumption

	2020	2019	2018	Year-on-year change in %
Electricity consumption in MWh	2,267	2,490	2,838	-8.9
Diesel fuel for emergency generators in litres	856	760	834	+11.2
District heating or space heating, air conditioning and hot water in MWh	1,780	2,055	2,160	-13.4
Company car fuel consumption in litres	87,819	111,285	122,441	-21

The consumption of diesel by emergency generators is generally the result of tests carried out for catastrophe incidents (catastrophe test), transformer maintenance operations and test runs for purposes of checking the necessary safety of the units. Consumption figures can fluctuate widely depending on the refuelling processes and the performance of tests. Only test runs were carried out in the reporting period 2020.

Since 2017, all German locations have been using green electricity. Since 2020, we have also been recording the electricity consumed in employees' home offices.

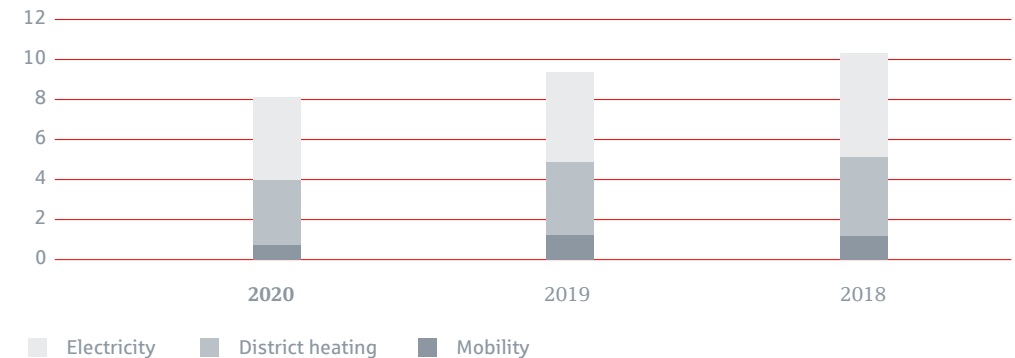
GRI 302-2 | Energy consumption outside of the organisation (UNGC: Principles 7, 8)

Energy is consumed outside of the organisation mainly for business trips. In this context, we record fleet consumption and also collect data on rail journeys and flights. CO₂ emissions are calculated using the VfU Tool and flights are offset through the use of offsetting certificates, → see **Environmental Management System**.

GRI 302-3 | Energy intensity (UNGC: Principles 7, 8, 9)

7.28 MWh of energy per full-time employee were used in the form of electricity and heat at the Berlin site in the reporting year.

Energy efficiency in MWh per employee



Berlin Hyp consumed a total of 437 MWh of energy for mobility in connection with the vehicle fleet of the Bank. This figure does not include business trips by rail or air.



GRI 302-4 | Reduction of energy consumption (UNGC: Principles 7, 8, 9)

In 2020, use of district heating once again came down. You can find detailed values in the disclosure under 302-1. Alongside raised awareness of employees, the reason for this reduction is lower utilisation and usage of buildings. One of the reasons for the slight reduction in electricity consumption is renewal of the small storage systems for hot-water provision in all WC facilities and installation of energy-saving “ReGen Drive Technology” in our lifts.

GRI 303: Water and Effluents 2018

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3) (UNGC: Principles 7, 8, 9)

In the reporting year, there are no comprehensive measures to report at Berlin Hyp for water reduction. In conjunction with this issue, it is worth pointing out that in 2020 decisions were taken on an individual basis in relation to every in-house technical measure on account of our newly established newbuild Project B-One. They were subsequently often not implemented for reasons of profitability.

Conversely, in addition to the central water dispenser in the cafeteria, all the kitchenettes in the buildings at Corneliusstraße 7 and Taentzienstraße 13 in Berlin were equipped with water dispensers. The water coolers are connected to the main water supply and have a filter system. They enable employees to access still, cooled and sparkling water. This therefore slightly increased direct water consumption but the overall impact on the environment was reduced because the logistics and transport for the water deliveries was eliminated. You can find further information in our → [environmental programme](#).

GRI 303-1 | Interactions with water as a shared resource (UNGC: Principles 7, 8)

As a service provider, Berlin Hyp withdraws water mainly for daily use – for kitchen and sanitation purposes. Our sites are not located in drought areas.

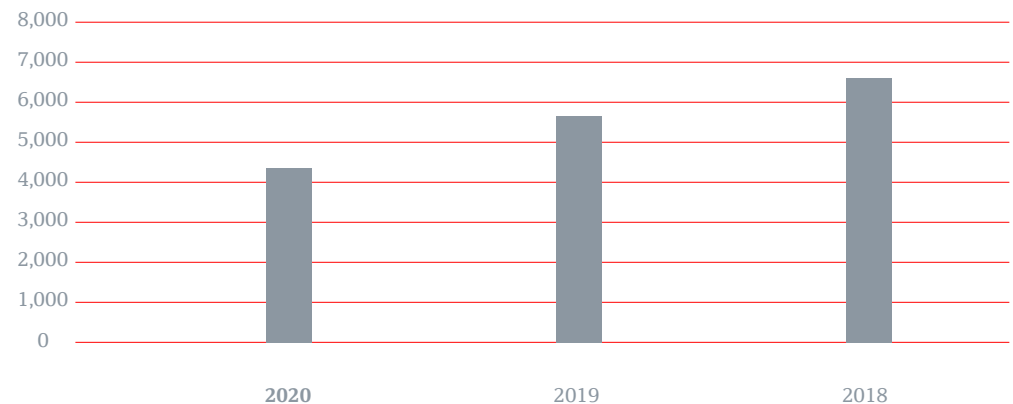
GRI 303-2| Management of water discharge-related impacts

Berlin Hyp is not operating in the manufacturing sector and is therefore not subject to any special regulations that extend beyond the statutory legal provisions. Berlin Hyp complies with all necessary reporting regulations (license for the emergency generators) and the licensing regulations for discharging wastewater from cooling systems into the public sewage system. We source our drinking water supply from the public water grid which is provided by the regional suppliers.

GRI 303-3| Water withdrawal

Water consumption for 2020 is significantly below the year-earlier level. This partly reflects more economical use of water in general while also demonstrating the impacts of the pandemic. The water volumes recorded relate to drinking water from the public water grid.

Volume of water withdrawn
in m³





GRI 305: Emissions 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3) (UNGC: Principles 7, 8, 9)

As one of the leading real estate financiers in Germany, Berlin Hyp bears an important social responsibility. This responsibility motivates our commitment to achieve the following objectives by actively engaging in environmental protection within the company as well as along our entire value chain:

- to contribute to preserving the basis of life and economic capacity of today's generation and future generations as well as
- to reduce costs by making economical use of resources.

Climate change is regarded as one of the most important challenges of our time. The adoption of our far-reaching Sustainability Agenda represents our commitment to the goals of the Paris Agreement and the climate roadmap of the Federal Government in Germany. The increase in our share of Green Buildings and the transformation of portfolio buildings is enabling us to target a 40 percent reduction of the CO₂ emissions in our financing portfolio and complete climate neutrality by 2050.

We believe that the capital market can play an important role in the transition to a low-carbon economy. Our climate-protection strategy is therefore based on a series of guidelines that regulate the impact of our business activities on the climate. We report on options and achievements with regard to the decarbonisation of our projects in our → [Green Bond Annual Reporting](#).

You will find further information on how we handle company-related emissions in our → [environmental statement](#).

GRI 305-1,2,3 | Direct GHG emissions, energy indirect GHG emissions and other indirect GHG emissions (Scope 1, 2, 3) (UNGC: Principles 7, 8, 9)

Greenhouse gas emissions (GHG) in accordance with Scope 1, 2 and 3 in t CO₂

	2020	2019	2018	Year-on-year change in %
Scope 1 – direct GHG	132	207	208	-36.2
Scope 2 – indirect GHG (location-based) ²	1,167	1,661	1,869	-29.7
Scope 2 – indirect GHG (market-based) ²	204	354	337	-42.3
Scope 3 – GHG of the supply chain	280	691	657	-59.4
GHG total (Scope 2 location-based)	1,579	2,559	2,734	-38.3
GHG total (Scope 2 market-based)	616	1,252	1,203 ¹	-50.8

¹ Since 2018, new conversion factors were applied in the Vfu Tool used and the RFI factor was taken into account for the first time (calculation is now carried out with the factor 2.7) and the flight classes.

² You can find the explanation of location-based and market-based in our environmental statement.

Berlin Hyp offsets emissions caused by unavoidable air travel through the purchase of offsetting certificates. 49.1 tonnes (2019: 300 tonnes, 2018: 304 tonnes) of CO₂ equivalents were offset in the reporting year.

GRI 305-4 | GHG emissions intensity (UNGC: Principles 7, 8, 9)

1.03 tonnes (market-based) and 2.65 tonnes (location-based) of CO₂ per full-time employee were emitted. This includes Scope 1, 2 and 3 emissions but no equivalents for CH₄, N₂O and other gases.



GRI 305-5 | Reduction of GHG emissions (UNGC: Principles 7, 8)

Total greenhouse gas emissions have come down since our first environmental statement in 2015, primarily owing to the use of renewable energy and particularly during 2020 as a result of the travel restrictions due to the Covid-19 pandemic. Furthermore, the district heating supplier reported that the emission factor of the Central District Heating Grid in Berlin changed from 129.3 to 77.4 g CO₂/kWh. This means there were lower calculated emissions in the heating sector.

As a result of compensations, the footprint for 2020 was once again reduced by a total of approximately 50 tonnes of GHG (application of climate-compensated toner: 932 kg, participation in offsetting of emissions through postal transport (PIN AG): 360 kg, compensation for air travel: 49.1 tonnes).

Berlin Hyp makes an important contribution to reducing the indirect environmental impact of its business activities by steadily increasing the issuance of Green Bonds. The results and methodology for estimating saved CO₂ emissions on the basis of the financed Green Buildings are presented in the CO₂ report (as at 31 December 2020), available → at www.berlinhyp.de/en. Mathematically and depending on the benchmark selected, between 12.92 tonnes and 26.6 tonnes of CO₂ per year are saved for each million euro nominal value of our Green Bonds.

GRI 306: Effluents and Waste 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

As a commercial business, Berlin Hyp AG is subject to the Commercial Waste Ordinance. However, such low volumes of certain wastes are generated at Berlin Hyp that these can be disposed of with the classes of waste already available.

They can therefore be recorded and disposed of with the mixed residential waste. All waste is regularly disposed of by accredited specialist disposal companies. The companies engaged by Berlin Hyp must provide

verification to Berlin Hyp that they have accredited status as a specialist disposal company.

You can find detailed information in our environmental statement and our → [environmental programme](#).

GRI 306-2 | Waste by type and disposal method

Waste disposal at Berlin Hyp is regulated by a disposal concept. You can find detailed information on our disposal system in the Management approach 103 Effluents and Waste (left) and our → [environmental statement](#).

As a service company, Berlin Hyp generates only limited amounts of hazardous waste, for example in the form of fluorescent tubes, IT scrap, refrigerant and spent oil.

Waste in kg

	2020	2019	2018
Non-hazardous waste	135,976	118,730	107,110
of which waste for recycling	60,290	44,920	31,730
of which waste for disposal (incl. thermal recycling)	75,380	73,810	75,380
of which lightweight packaging ¹	306		
Hazardous waste	1,390	860	1,260
of which IT scrap ¹	1,090	12,330	10,050
Other (bulky items)	11,490	12,330	10,050
Total waste	148,856	132,594	108,638

¹ Lightweight packaging has been recorded since 2020.



Waste avoidance and reuse is our top priority. For example, a large-scale donation campaign enabled us to hand over approximately 1,400 items of equipment to 51 not-for-profit organisations. Employees also provided ideas for running this campaign. Furthermore, a total of 1,508 items out of 2,524 items offered were sold to new owners in five auctions. Operational IT equipment is donated to AfB gemeinnützige GmbH, Europe's first non-profit IT company. The integration company with over 200 employees at 13 sites in Germany, Austria, France and Switzerland appoints people with disabilities to half of its positions. The company specialises in processing decommissioned IT hardware for reuse and returning it to the cycle of use. The reuse rate for our donated IT equipment was 81 percent in 2020.

We provided a comprehensive report on the amount of waste temporarily generated in the course of implementing the B-One newbuild project in the → [environmental statement](#).

Having replaced our printers in 2017, we now use climate-neutral toner cartridges. We are also recording the number of toner cartridges used and can state that we were able to save 932 kg of CO₂ equivalents in the reporting year 2020. Unlike conventional toner cartridges, where the entire cartridge has to be changed, toner is simply replenished in the products we now use. As a result, we have reduced waste by around 75 percent in comparison to conventional systems.

GRI 307: Environmental Compliance 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

Compliance with environmental laws and regulations is axiomatic for Berlin Hyp. This has been ensured since our environmental management system was established in 2016. As a commercial real estate financier, we are not part of the manufacturing sector, and we do not therefore have the same challenges as other companies. However, we ensure that we act in accordance with guidelines and statutory regulations within the framework of our area of business.

GRI 307-1 | Non-compliance with environmental laws and regulations

No fines were imposed on Berlin Hyp during the year under review. Furthermore, no monetary sanctions were imposed on the Bank for non-compliance with laws and regulations.



Material Topic Society



Society

The most important capital in a company is the employees. As a commercial real estate financier, this is particularly the case for Berlin Hyp. Our dealings with each other are carried out in a spirit of appreciation, respect and openness. We want to provide our employees with a workplace environment that offers lots of opportunities so that this approach can be maintained into the future. We believe that this encompasses the security, motivation and health of our employees. We want to continue promoting their performance and their level of qualification, while also remaining an attractive employer for junior staff.

A healthy business also needs a healthy environment. Acknowledging this basic fact highlights the importance of activities related to corporate citizenship. For example, we work together with Kinderhaus Berlin-Mark Brandenburg e.V., support volunteering, for example through a social day, and promote sport within the company and activities in the area of visual arts.

GRI 401: Employment 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

The objective is to offer employees a long-term, attractive workplace with a certain degree of autonomy and development potential. In terms of staffing, the aim is to attract, within a reasonable timeframe, employees with the right mindset for actively shaping values and corporate culture, in addition to their qualifications. The HR department is responsible for systematic human resource planning. In order to keep the planning up to date and realistic, megatrends (e.g. digitalisation/automation, ageing society, knowledge culture, individualisation), developments in new and established business areas and regulatory requirements are taken into account.

Berlin Hyp uses internal and external resources to meet HR requirements. Open positions are initially advertised internally in order to allow qualified employees the opportunity for personal development.

Young skilled workers are acquired through the recruitment of trainees, students in dual study programmes, student workers and interns. Trainee management develops continuously in accordance with the needs of the target groups and Berlin Hyp. In addition to the trainee programme, Berlin Hyp also hires new graduates.

Digitalisation and automation are changing working conditions in a very tangible way. New working environments and mobile technical equipment help to relieve the burden on employees in their day-to-day work and give them greater flexibility. This has been a success factor for Berlin Hyp, particularly during the COVID-19 pandemic. Given the required contact restrictions and physical distancing rules, employees have switched to digital or hybrid forms of communication and collaboration with success.

Employees have been given the capability to work remotely in order to reduce the risk of infection. In addition, the following measures were implemented in the reporting year in line with the Infection Protection Ordinance of the Berlin Senate and the SARS-CoV-2 Occupational Health and Safety Regulation:

- Hygiene concept in the Bank
- Free face masks and instructions for use
- Attendance rules (A/B teams)
- Information links to key publications, such as the RKI
- FAQ on all regulations

HR reporting is prepared on a semi-annual basis and provides a detailed overview of key figures on employee concerns. Required measures are being introduced in order to change these key figures.



GRI 401-1 | New employee hires and employee turnover (UNGC: Principle 6)

Employee turnover during the course of the reporting year, based on an average of 577.4 employees, stood at 7.8 percent (2019: 4.3 percent, 2018: 4.2 percent). This affects 42 percent (19) female and 58 percent (26) male employees. The year-on-year increase in the turnover rate overwhelmingly results from early retirement agreements. These are offered by Berlin Hyp to manage the planned headcount strength and the demographic structure on the basis of a company agreement with employees. The average period of employment is more than 16.5 years. There are no significant differences between regions.

Proportion of the age groups in the total turnover rate in %

	2020	2019	2018
Age group			
up to 30	4	0	16
30–49	29	40	20
Over 49	67	60	64

New hires by gender

	Women			Men		
	2020	2019	2018	2020	2019	2018
Employees	7	12	6	16	12	11
Trainees	0	2	1	2	2	7
Students in dual study programmes	2	0	0	0	1	2
Student workers	7	7	7	9	6	8
Interns	3	1	3	3	4	1

New hires by age group¹

	2020			2019			2018		
	up to 30	30–49	over 49	up to 30	30–49	over 49	up to 30	30–49	over 49
Employees	3	14	6	2	20	2	4	8	5
Trainees	2	0	0	3	1	0	6	2	0
Students in dual study programmes	2	0	0	1	0	0	2	0	0
Student workers	15	1	0	13	0	0	13	2	0
Interns	6	0	0	4	1	0	4	0	0

¹ Age on entry

GRI 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees

The company benefits are offered to both full-time and part-time employees:

- Company pension through employer contributions
- Employer subsidy for lunches
- Optional accident insurance
- Employee Assistance Programme (EAP) with consultation and mediation services for employees and their families
- Emergency care in external child day-care centres
- Parent-child office
- Pool of bicycles for breaks
- Provision for next of kin in the event of death

The regulations relating to retirement pension only apply to permanent employees.



GRI 401-3 | Parental leave (UNGC: Principle 6)

These figures relate to Germany and therefore include more than 98 per cent of the Bank’s employees. The relevant local national legislation applies to the employees based outside Germany.

Entitlement, return to work and staff remaining with the Bank after parental leave

	Women			Men		
	2020	2019	2018	2020	2019	2018
Entitlement ¹	15	19	14	13	15	20
Taken ²	15	16	13	12	11	13
Returned after parental leave ³	10	7	9	10	8	12
Return rate in %	100	100	100	100	100	100
Remained with the Bank ⁴	9	6	9	10	8	12
Remain rate in %	86	86	100	100	100	100

¹ Total of new entitlements (birth of a child) and existing entitlements (employees already on parental leave).
² Employees who have taken parental leave for at least one month (non-working phase of employment).
³ Employees who were in a working phase of employment after parental leave in the year under review.
⁴ Employees who are in unterminated (on the employer side) employment twelve months after the end of parental leave in the reporting year.

GRI 402: Labour/Management Relations 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

The management culture at Berlin Hyp is characterised by appreciation, target orientation, long-term security and extensive freedom of decision-making and creative scope for all staff. Members of the management have a special responsibility in supporting the entrepreneurial role model. Furthermore, managers contribute to supporting staff in their development through their individual career stages and different

phases of life. This aspiration underpins the human resources strategy, which in turn supports Berlin Hyp’s overall strategy.

GRI 402-1 | Minimum notice periods regarding operational changes (UNGC: Principle 3)

All minimum notice periods as established by German employment law and the German Co-determination Act (MitbestG) apply in the event of significant operational changes, which are also part of the agreements between the management, the Economic Committee and the Works Council. As a rule, we observe all labour regulations in the countries in which we do business.

GRI 403: Occupational Health and Safety 2018

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

Occupational health and safety management at Berlin Hyp is either organised in accordance with legal requirements or regulated as a “Betriebsvereinbarung” (works agreement between staff and management representatives). At the request of the Board of Management, the responsible departments do not negotiate employee health and safety protection issues directly with the unions but – in accordance with legal requirements – with the Works Council or the Committee of Spokespersons for Executive Employees. In addition, overarching issues of workplace safety and health protection can become the subject of collective bargaining between the associations that conclude collective agreements.

The central Health and Safety Committee at our headquarters in Berlin, Germany, is responsible for occupational health and safety throughout Germany. The Act on the Implementation of Measures of Occupational Safety and Health to Encourage Improvements in the Safety and Health Protection of Workers at Work (ArbSichG) stipulates the duties and



composition of the committee. A safety officer is appointed in accordance with the provisions of ArbSichG.

The Procedure for Company Integration (PCI) in accordance with Article 167 Section 2 Social Security Code (SGB) IX is regulated in a company agreement. The PCI Support Team is the central management office for these issues within the company. It is made up of representatives for human resources, the Works Council and employees with severe disabilities. Inclusion of external specialist expertise in concrete implementation of the PCI procedure enables us to support employees in overcoming disabilities, prevention of further incapacity for work and staying in employment on a long-term basis.

The relevant local national legislation applies to the employees working abroad. Inspections of foreign locations and consultation discussions are conducted annually.

GRI 403-1 | Occupational health and safety management system

All Berlin Hyp employees are represented in the Employee Committee. Representatives of the health management, the Works Council, employees with severe disabilities, as well as the safety officer and the Bank's Fire Protection Officer, and the company doctor meet on a quarterly basis to discuss matters relating to occupational health and safety. Topics include accidents at work, immunisation, risk assessment, fire drills and the relevance and implementation of new regulations, as well as the results and findings of regular inspections.

GRI 403-2 | Hazard identification, risk assessment, and incident investigation

There are no positions at Berlin Hyp that result in an increased incidence or risk of diseases and therefore no typical occupational diseases. The Bank's Fire Protection Officer primarily carries out inspections together with the safety officers. Both forms of officer are fully trained and accredited.

Furthermore, the Bank's building services coordinate and monitor the regulatory requirements within the scope of the statutory regulations. Test protocols etc. are verified for example through a regular audit in accordance with EMAS.

To help our employees avoid common problems that can result from sedentary work, we attach great value to workplace ergonomics and offer regular medical checkups. If problems have already developed, the workplace is ergonomically adapted to the individual concerned.

Employees can consult the safety officer, the company doctor or the Works Council at any time, if a potential work-related hazard or any hazardous situation arises. The situation is then assessed, a risk analysis is prepared and if necessary, the Health and Safety Committee or the Works Council is informed. In this case, Health and Safety operates with a direct reporting line to the Board of Management and has its own budget for initiating measures such as ad hoc action to tackle the situation.

GRI 403-3 | Occupational health services

The occupational medical service is delivered by an external company doctor. The company doctor is available to deal with any problems or difficulties that may exert indirect or direct impacts at the workplace (for example ergonomic problems, issues related to working at a screen). Consultation appointments and contact data for the doctor are published on the intranet. The company doctor also administers the annual flu immunisation and carries out the medical checkup for employees, → see GRI 403-6, page 40.

GRI 403-4 | Worker participation, consultation, and communication on occupational health and safety

Berlin Hyp has no management system for the area of health and safety. Employees are provided with information on the intranet, through notices displayed in the Bank and in the occupational safety manual.



All Berlin Hyp employees are represented in the Health and Safety Committee. The members of the Bank's Health Group, the Works Council, representatives of employees with severe disabilities, the safety officer, the Bank's Fire Prevention Officer, and the company doctor meet on a quarterly basis to discuss matters relating to occupational health and safety. Topics include accidents at work, immunisation, risk assessment, fire drills and the relevance and implementation of new regulations, and the results and findings of regular tours of inspection.

Information on fighting the pandemic is regularly updated for employees, primarily on the intranet. All general information, letters from the Board of Management and increasingly also video messages are provided in this forum. FAQs are also available and are regularly updated (e.g. correct application of MNS, hygiene concept, test options). If there are any changes in framework conditions, telephone conferences are also offered for managers. As part of the communication cascade, the managers then have an obligation to ensure that the information is passed on in their departments and teams. Posters in the office buildings of the Bank highlight the hygiene regulations to be observed and they are regularly updated. The occupational safety department and the company doctor are available in a consulting role to answer any questions. For further information, → see **Management approach 103 Occupational Health and Safety, page 38**.

GRI 403-5 | Worker training on occupational health and safety

As far as possible, employees who are first-aiders or voluntary firefighters are provided with training within the company by outside trainers. In 2019, safety officers were also trained and accredited within the company.

Every year, all employees receive instruction on occupational safety in accordance with the manual. Employees who enter rooms where for example extinguishing gases are used, receive separate training. Furthermore, a building evacuation drill is held every two years.

During the reporting period, employees also received instruction on strategies relating to the topics of ergonomics, resilience, stress management and nutrition at employee workshops held as part of the health day.

GRI 403-6 | Promotion of worker health

Our health promotion scheme includes offers on reducing stress-related risks at work and enhancing independence by strengthening collective and individual health awareness. The following offerings are published on the intranet and are available to all employees:

- Employee Assistance Programme (EAP) with external consultation free of charge: This offer relates to all work and private issues, and is complemented by an information and mediation service related to family issues. The family members of the affected employee can also make use of the offer free of charge.
- Massage service: At the Berlin site, a physiotherapy practice offers its services at our business premises four days a week. The treatment is delivered outside working hours and employees are responsible for the costs.
- Flu immunisation: At the Berlin site, the company doctor gives flu injections every year. The costs are borne by Berlin Hyp.
- Medical checkup and consultation for employees: Every two years, our employees are entitled to a medical checkup with the company doctor free of charge. This involves assessment of individual risk factors, precautionary preventive action is discussed, and recommendations on further investigations by the family doctor or a specialist consultant are reviewed.

We held a health day during the reporting period. The aim was to raise the employees' awareness of topics and concerns relating to health, fitness and nutrition against the backdrop of digitalisation in the workplace.



In addition, the company sports club Betriebssportgemeinschaft Berlin Hyp e. V. makes an important contribution to the health of the staff. The club currently has more than 300 members. For more than 25 years, Berlin Hyp has promoted events in the sector and sports activities to improve fitness and strengthen team spirit with financial support.

GRI 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Berlin Hyp only has office workplaces. This means that there are essentially no positions within the company that result in an increased incidence or risk of diseases and therefore no typical occupational diseases. To help our employees avoid common problems that can result from sedentary work, we attach great value to workplace ergonomics and offer regular medical checkups. If problems have already developed, the workplace is ergonomically adapted to the individual concerned.

Regular inspections identify any potential hazards at an early stage.

A site inspection and training are also conducted at the branches and representative offices. The perspective of the existing works agreement on mental risk assessment is being supplemented by the issue of physical health assessments.

Since the beginning of the pandemic, all employees whose activities are not tied to the location of the Bank have been given the opportunity to take advantage of the offer of mobile working. On average, more than 85 percent of the workforce are engaged in mobile working. The ordinances in accordance with the Federal Ministry of Labour and Social Affairs (BMAS) and the Infection Protection Ordinance of the Berlin Senate were appropriately implemented.

GRI 404: Training and Education 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

Digitalisation and automation have led to changes in employee skill requirements at Berlin Hyp, which are upgraded through a variety of in-house measures and external continuing education opportunities. To ensure the long-term professional development of the workforce, there has been an increased emphasis on context-related and ad hoc learning directly linked to specific work and change processes. Learning behaviour has shifted towards a higher proportion of virtual learning formats, “learning nuggets” within shorter time frames and the autonomous use of various platforms and formats. Within the learning context, employees are responsible for pursuing the autonomous development of their skills and actively sharing their knowledge; managers are responsible for actively supporting this process, presenting development perspectives and providing continuous feedback on behaviour and performance; the HR department is responsible for creating modern, need-based, value-adding learning formats and framework conditions for the professional development of employees and managers. The objectives of all professional development activities, for which the workforce has been allocated at an average of 3.5 days per year, are:

- To maintain the performance level of managers and employees and boost their individual motivation
- To enhance employees’ adaptability to structural changes in the organisation and the corporate culture
- To make the deployment of personnel more flexible
- To increase the Bank’s ability to innovate
- To achieve greater independence from external labour markets
- To retain employees retention through higher job satisfaction



GRI 404-1 | Average hours of training per year per employee (UNGC: Principle 6)

On average, employees spent 16.73 hours (2019: 26.39, 2018: 26.95) and managers 23.36 hours (2019: 37.35, 2018: 39.75) receiving training and further career development during the year under review. The disclosures relate exclusively to formalised education events completed (e.g. seminars, specialist conferences, coaching). Context and incident-related learning in direct connection with concrete work and change processes (e.g. workplace-based workshops and communication of information) is not recorded.

Training and education by gender

	Women			Men		
	2020	2019	2018	2020	2019	2018
Average number of hours per head	18.19	24.37	27.62	17.45	26.79	29.10

Training and education by age group¹

	2020		
	up to 30	30–49	over 49
Average number of hours per head	8.93	20.08	14.69

¹ from 2020 additional disclosure category

GRI 404-2 | Programmes for upgrading employee skills and transition assistance programmes (UNGC: Principle 6)

During the reporting year, the number of training places developed in accordance with the needs of the target groups and Berlin Hyp. The training places were filled by new talented recruits. The focus here is on sustainable management of trainee recruitment. On the one hand, this involves ensuring that appointments match the quantitative and qualitative needs of the Bank. On the other hand, it entails making sure

the appointments are in line with the career aspirations and high-flying potential of the talented young recruits. As a result, twelve trainees and six students on dual-study programmes were on a training programme during the reporting year. Berlin Hyp offers its employees company-sponsored qualifications. As part of top-tier qualification for young professionals, which is directed in particular towards promoting young employees, these individuals can apply for a mentoring programme or a place to study for a degree, e.g. in real-estate economics. In 2020, one degree place was taken up by a man, while there were no female applicants. No applications were submitted for a mentoring place.

Moreover, top-tier qualification also includes promotion of part-time degree courses taken outside work for all other employees and suitable measures for the specific qualification needs of the second level.

The “Learning World for Managers” was implemented in 2019 and follows a systematic approach with a focus on organisational learning. The programme was developed on the basis of the Bank’s strategic leadership requirements, the individual need of managers from the 270° feedback and insights from learning theory. It is designed to provide support during the current processes of change through mentored process learning based on concrete management case studies. The learning programme is intended to strengthen a modern management culture that supports strategic approaches over the long term.

Colleagues from all hierarchical levels learn about new agile working methods in a range of different qualification methods. These methods are essential in a world of increasing digitalisation.

A central element of talent management was introduced in 2020 as an alternative and equivalent development option for a management career – the expert career. The Hyp experts are characterised by a special quality of their knowledge, which they use to create value through responsibility for relevant topics at the Bank. This impact always extends beyond their own organisational unit. In order to support these employees in their expertise and effectiveness, they are supported individually



and in accordance with needs by various measures including qualification.

A works agreement permits early retirement and termination agreements to be offered so as to support strategic resource planning. Employees who end their employment by signing up to a termination agreement are entitled to avail themselves of a new placement consultation financed by Berlin Hyp. The aim of this is to open up new career perspectives for the employee as quickly as possible.

GRI 404-3 | Percentage of employees receiving regular performance and career development reviews (UNGC: Principle 6)

All employees receive feedback on attainment of their performance targets in the course of the annual appraisal process relating to their target agreements. Conduct components are included for each target in respect of targets from 2020 onwards owing to an updated system, so that each employee receives feedback on performance and conduct for the past year in their appraisal (target achievement interviews). Furthermore, all managers of the company receive systematic feedback on their management conduct through 270° feedback every two years.

The training stages in the dual-study degree programme and in the trainee programme are both supported by feedback from the relevant specialist departments and the central training managers. Furthermore, an employee prospects talk was developed which can be initiated at any time by employees or managers on a voluntary basis from 2021 in order to discuss individual development opportunities.

GRI 405: Diversity and Equal Opportunity 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

Berlin Hyp strongly believes that diversity creates advantages from differences. We have underscored this philosophy by signing the Diversity Charter (Charta der Vielfalt) and through other initiatives. Our Human Rights, Diversity and Inclusion Directive provides our employees and business partners with clear directives for their day-to-day actions. It is based on national legislation and international standards, including:

- The Universal Declaration of Human Rights of the United Nations
- The United Nations Conventions Relating to Work and Employment
- The Convention for the Protection of Human Rights and Fundamental Freedoms of the European Union

Berlin Hyp strives to integrate equal opportunities for women and men to participate in management to an even greater extent in the corporate culture (for the target parameters, → see GRI 405-1, page 44).

Berlin Hyp supports this using measures including the following:

- Binding regulation on the hiring of female employees in connection with recruitment by HR consultants in order to identify and promote female potential
- Appointment of at least one woman to a wide range of selection and observation bodies
- Explicit inclusion of the subject of equal opportunities by the HR department when advising managers on HR matters (such as staffing)
- Operational anchoring of the promotion of women using the behaviour anchor for managers in the competence model of the Bank, which requires equal treatment of all employees



With the applicant management tool introduced in 2020, the adequate involvement of female applicants in every recruitment process of Berlin Hyp can be systematically recorded and evaluated. Furthermore, Berlin Hyp actively encourages a healthy work-life balance, and therefore equal opportunities through various instruments and measures, such as trust-based working hours, mobile working and child-friendly workplaces.

GRI 405-1 | Diversity of governance bodies and employees (UNGC: Principle 6)

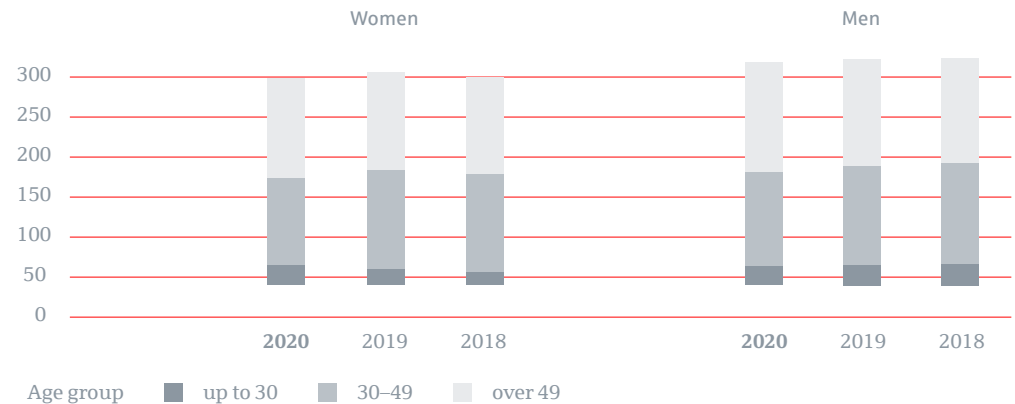
In the reporting year, the Board of Management comprised three male members. The quota of zero percent for women set by the Supervisory Board will continue to apply until the review on 30 June 2022 or at the end of current contracts of service before a new hire. Gero Bergmann stepped down from his activity for Berlin Hyp on 31 December 2020. On 1 May 2021, Maria Teresa Dreo-Tempsch took up her position as a member of the Board of Management at Berlin Hyp. This increased the proportion of women on the Board of Management to 33 percent.

The Supervisory Board of Berlin Hyp comprises ten representatives from the shareholders and five representatives from the employees. Berlin Hyp has defined a goal of having at least two women represented on the Supervisory Board and this objective is currently met.

In 2020, the Berlin Hyp Board of Management adjusted the targets for female executives for the first and second management levels below the Board of Management due to changes in the organisational structure. The target of 33 percent should be reached at both management levels by 30 June 2025. As at 31 December 2020, 29.4 percent of executives were female at the first level below the Board of Management and

29.5 percent at the second level below the Board of Management. Overall, the proportion of women in management positions across all management levels at Berlin Hyp is 28.6 percent. In the reporting year, the proportion of women in the entire workforce as at 31 December 2020 was 49.2 percent (2019: 49.7 percent, 2018: 49.1 percent). In 2020, a total of 5.9 percent of all employees had a severe disability (2019: 6.3 percent, 2018: 6.6 percent).

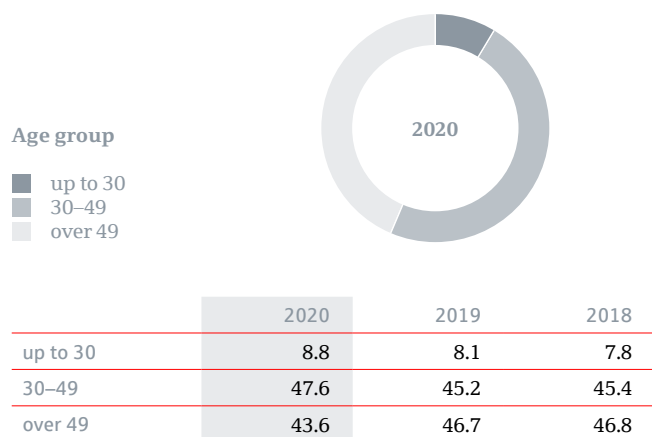
Age structure





Age structure

Proportion of employees overall in %



¹ In 2017, the calculation did not include any junior employees (trainees, students on dual work programmes, interns and student workers). From 2018, the calculation has been extended to cover all employees.

GRI 405-2 | Ratio of basic salary and remuneration of women to men

Equal treatment of men and women in terms of pay is also a firmly established principle for us. As a member company of the Employers' Association of Private Banking bound by a works agreement, Berlin Hyp applies the collective bargaining agreements of the private banking sector and public banks.

Berlin Hyp has also introduced a performance-related and incentivised remuneration system commensurate with the market for all employees not covered by collective bargaining agreements. As a result, objective, weighted assessment criteria are also applied to the determination of the remuneration of employees not covered by collective bargaining

agreements of the private banking sector and public banks. Both these remuneration regulations ensure a fair and transparent remuneration system free of discrimination.

GRI 406: Non-discrimination 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

At Berlin Hyp, non-discrimination means that customers, employees, suppliers and other business partners are not advantaged or disadvantaged with regard to their:

- Ethnicity/ ethnic origin
- Skin colour
- Gender
- Language
- Religion
- Political views
- Other views
- National origin
- Social origin
- Wealth
- Birth
- Sexual orientation
- Any other status

At Berlin Hyp, human rights, diversity and inclusion are upheld on the basis of relevant German laws.

GRI 406-1 | Incidents of discrimination and corrective actions taken (UNGC: Principle 6)

No incidents were reported in 2020.



GRI 407: Freedom of Association and Collective Bargaining 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3) (UNGC: Principle 3)

As Berlin Hyp's employees work almost exclusively in Germany, they are subject not only to European labour regulations but also to German labour legislation and the regulations on co-determination. They also have the right of free association. Berlin Hyp is a member of the sectoral Employers' Association, which is party to collectively bargained agreements. Our employees' conditions of employment are therefore subject to collective bargaining for the banking sector as a whole, and employees benefit directly from the protection afforded by the negotiated contractual provisions.

Berlin Hyp has regulated certain key aspects of employee rights that go beyond what is required by law through a number of agreements with the Works Council and the Committee of Spokespersons for Executive Employees. These include the organisation of operations, the corporate pension plan and mobile working. The two employee representative bodies are therefore entitled to supervise the implementation of the agreed measures.

GRI 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Cooperation between the employer and employees is characterised by a partnership based on trust. The same is also required of our suppliers and our contractors. There were no reports of any violations of or risks to the freedom of association during the reporting year.

GRI 412: Human Rights Assessment 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3) (UNGC: Principle 1, 2)

Berlin Hyp is committed to protecting human rights in all aspects of its business operations. We acceded to the UN Global Compact in 2015 to set an example, both inside and outside the Bank. Berlin Hyp is putting the following two UN Global Compact human rights principles into practice in a targeted manner:

- Businesses should support and respect the protection of international human rights.
- Companies should ensure that they are not complicit in human rights abuses.

In order to implement these principles, Berlin Hyp has adopted a series of guidelines, such as the Human Rights, Diversity and Inclusion Directive, from which we derive specific measures.

We also expect our contractors and suppliers to act in line with the principles of the UN Global Compact and human rights irrespective of their size, sector or work performed, particularly with regard to the following:

- Preventing child labour
- Free choice of employment
- Freedom of association
- Non-discrimination

Berlin Hyp's Purchasing employees can check contractors and suppliers on the basis of random samples or ad hoc questionnaires. Such checks may be performed unannounced and at any time in accordance with prevailing legislation. These employees look into the existence of funda-



mental sustainability structures, compliance with the principles as well as the correctness of the information submitted in questionnaires.

Any significant violations of the principles and requirements, both those committed within the company itself or along the upstream supply chain, must be immediately and voluntarily reported. Employees of suppliers may use Berlin Hyp's whistleblower system to directly inform the Compliance Officer of any violations. In the event of violations, Berlin Hyp reserves the right to agree to mutual plans of action or ultimately terminate contracts. We may also monitor the progress of the plan of action without informing the other party. Any violations against the Code of Conduct must be remedied as part of an action plan. Continued infractions of the criteria can lead to termination of the contractual relationship.

GRI 412-1 | Operations that have been subject to human rights reviews or impact assessments

There were no suspected cases of human rights violations in the reporting year. On-site checks are not necessary due to the small number of employees and their close cooperation with colleagues in the sales offices.

GRI 412-2 | Employee training on human rights policies or procedures

The next in-house informational event on human rights policies and procedures is planned for 2021.

GRI 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

All contracts are drafted and processed in accordance with guidelines. Our compliance system ensures that they are adhered to. Third parties are also able to report any irregularities through the whistleblower system. Berlin Hyp's guideline on human rights, diversity and inclusion can be viewed online. In addition, we have defined requirements and approaches for dealing responsibly with environmental and social risks, and risks arising from poor corporate supervision of our ordinary business operations. Berlin Hyp has precluded business activities in relation to certain critical sectors.

GRI 413: Local Communities 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3) (UNGC: Principles 1, 2)

Our corporate citizenship brings us into contact with a lot of people outside our company and enhances our profile in the public domain. This commitment may also be linked up with emotionally engaging events or human destinies. At the same time, the resources available from Berlin Hyp are limited and need to be deployed carefully and focused on results.

The corporate citizenship function at Berlin Hyp is part of the Sustainability Management section, which also serves as a central contact partner. The corporate citizenship process is set down in the Corporate Citizenship Directive. Berlin Hyp plans, directs, assesses and communicates its community commitment based on the system developed by the London Benchmark Group. This means that all key commitment expenditure ("input") is recorded. The direct use of this expenditure is defined ("output"), and finally an estimate is drawn up of how, in the longer term, this commitment will affect recipients, donors and society ("impact").



All donations at the Berlin location of Berlin Hyp are decided by the Board of Management and, from a certain amount, are reported to the Supervisory Board.

Against the background of the planned newbuild of the corporate headquarters, various small pieces of furniture, materials and technology were no longer required. As the building was emptied, Berlin Hyp donated these surplus items primarily to local organisations in Berlin and Brandenburg during the course of the reporting year.

Berlin Hyp has focused its corporate citizenship on the topics of support for vulnerable children and young people, and on the promotion of popular sports. Our aim is for this social input to make a contribution to ensuring that vulnerable children and young people can grow up within a framework that gives them the necessary material and social security to fully develop their potential as human beings. Furthermore, we want to encourage our employees to take responsibility for contributing to the development of their own health and get a better sense of their own body by making a commitment to physical exercise and enhancing their awareness of health issues.

GRI 413-1 | Operations with local community engagement, impact assessments, and development programmes

Berlin Hyp makes multifaceted contributions to the community. Our products and services, but also our wages and salaries, taxes and deductions, and our procurement guidelines contribute to the development of society. Our aim is to further strengthen our social engagement (corporate citizenship) in order to consolidate the establishment of Berlin Hyp within society. Non-profit engagement is therefore a fundamental element of our business activity which also helps Berlin Hyp to be more visible and tangible on the ground for customers, neighbours and potential new employees as a responsible corporate citizen within society.

GRI 413-2 | Operations with significant actual and potential negative impacts on local communities

Our business activities are restricted to Europe. However, in the event that we started to operate outside Europe, we would then be guided by internationally recognised environmental and social impact standards. Negative impacts on local communities, for example caused by production activities, do not arise in the case of our operations as a commercial real estate financier. We therefore have no programmes for assessing impacts of this nature.

GRI 414: Supplier Social Assessment 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

During the reporting year 2019, a sustainability questionnaire was developed for suppliers. Since then, this has been sent together with the onboarding documentation of a new supplier. The biggest service providers of Berlin Hyp include IT service providers and suppliers for IT equipment and office materials. Since we are not a manufacturing facility, the opportunities for Berlin Hyp to influence its suppliers are regarded as very limited.

For further information, → see [Management approach 103 Human Rights Assessment, page 46](#).



GRI 414-1 | New suppliers that were screened using social criteria

In 2019, a sustainability survey for suppliers was developed. Since then, this survey has been sent together with the onboarding documentation of a new supplier. The biggest service providers of Berlin Hyp include IT service providers and suppliers for IT equipment and office materials. Since we are not a manufacturing facility, the opportunities for Berlin Hyp to influence its suppliers are regarded as very limited.

For further information, → see **Management approach 103 Human Rights Assessment, page 46.**

GRI 414-2 | Negative social impacts in the supply chain and actions taken

Berlin Hyp procures all of its goods and services from European countries. Approximately 90 percent come from Germany. The sustainability performance of our suppliers is ensured through confirmation of our comprehensive sustainability requirements. Our contractors and suppliers complete questionnaires to determine whether they have, in fact, implemented our sustainability requirements; the correctness of the information submitted is verified by means of random-sample checks. No violations were found in a random sample. At three supplier annual appraisal meetings during the reporting year 2020, we asked various questions about the content of Appendix E, our sustainability agreement for contractors and suppliers. We also surveyed a lot of ideas coming out of environmental management. There are plans to conduct further supplier annual appraisal meetings and the intention is for sustainability topics to be a fixed item on the agenda.

GRI 415: Public Policy 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3) (UNGC: Principle 10)

As a matter of principle, Berlin Hyp does not exert any political influence. We do not employ any third parties for the purpose of cultivating political contacts or influencing public opinion. In the reporting year, no submissions were made with respect to legislative processes, and no entries were made in a lobby list. Berlin Hyp's Corporate Citizenship Guideline prohibits contributions to political parties or politicians. Berlin Hyp contributes to public debate on developments relevant to the sector through its memberships in various associations and institutions relating to the sector, which must in turn act in accordance with their articles of association and must be monitored by their supervisory bodies, → see **chapter General Disclosures, GRI 102-13, page 7.**

GRI 415-1 | Political contributions

Contributions to politicians, political parties or affiliated organisations are prohibited at Berlin Hyp. Fees for memberships of associations or sponsorship of initiatives are not currently included in the total but are commensurate with the company's size.

GRI 417: Marketing and Labelling 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

Berlin Hyp only supplies ethical products and services. We provide our customers with responsible and forward-looking advice in line with their needs; benefits and risks are communicated clearly. Our products and services must always meet the following requirements:

- They contribute to sustainable development as defined by the United Nations' Sustainable Development Goals.



- They serve the individual without detriment to the common good. Their development always takes the principles of the UN Global Compact into account.
- They are always transparent and easy to understand.
- Our written information regarding products and services and our marketing material must include all significant details on the offer presented to the customer for the purpose of evaluating the offer; this information must be described in a transparent manner.

We do not offer or provide products or any consultation on products that do not meet these requirements.

We make arrangements for customers with special requirements. We therefore offer products and services that are tailored to the needs of specific customer groups with a particular social relevance, for example not-for-profit housing construction companies or customers who enquire about financing in connection with Green Buildings.

Furthermore, some of our products, such as our Green Bond programme and impact reporting, are regularly reviewed by external third parties within the scope of a second-party opinion. In order to communicate fairly and transparently, Berlin Hyp takes into account the fundamental principles of the “ICC Advertising and Marketing Communications Code” (ICC Marketing Code) of the International Chamber of Commerce. The Code contains specific recommendations for all marketing-relevant areas, including issues such as sales promotions, sponsorship, direct marketing, advertising and marketing using digital and interactive media.

GRI 417-1 | Requirements for product and service information and labelling

Recommendations by the ICC Marketing Code are enshrined in three fundamental principles:

- Marketing communication should always be legal, decent, honest and truthful.
- Marketing communication should always be prepared with an appropriate sense for social and professional responsibility and should be in line with the fair competition principles that are generally accepted in the business world.
- Marketing communication should never damage the public’s trust in marketing.

Communication and Marketing is responsible for applying these principles, with employees informing the appointed marketing service provider, for example, that there is an obligation to provide responsible marketing. Berlin Hyp has also established its own complaints management system in the Governance Division, which aims to steadily increase our customer satisfaction levels.

An analysis of all the complaints received during a specific period is regularly carried out. The results of these analyses are made available to the Board of Management and the Legal Department. All complaints regarding securities services are also reported to the Compliance Department, as these must be reported to the German Federal Financial Supervisory Authority (BaFin) pursuant to Section 34 d (1) German Securities Trading Act (WpHG).

GRI 417-2 | Incidents of non-compliance concerning product and service information and labelling

There were no incidents reported in 2020.

GRI 417-3 | Incidents of non-compliance concerning marketing communications

There were no incidents reported in 2020.



GRI 418: Customer Privacy 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3)

Berlin Hyp collects, processes and uses a large amount of personal data relating to customers and business partners. These data are used for the Bank's general business operations and enable the Bank to provide customers with advice and support tailored to their needs. Personal data must be handled carefully, in compliance with the law and in line with clear rules so that the Bank does not lose the trust that customers place in it. This means that we always ensure that it is clear who receives what information – both within the Bank itself and in our dealings with customers and business partners. Customer data may only be passed on to third parties if customers have previously given their consent or there is a legal admissibility or obligation to do so. The internal processes are specified and described in a standard operating procedure, the aim of which is to implement the General Data Protection Regulation (GDPR) and other data protection regulations at Berlin Hyp.

The Bank's data protection is overseen by the Data Protection Officer. This officer acts on behalf of the Board of Management and is not bound by instructions in the performance of their duties. The Data Protection Officer works towards compliance in data protection matters and oversees data protection measures. The officer is also the contact person in relation to data-protection issues for the supervisory authority, the customers, the management, the employees, the service providers and the members of the Works Council.

The Data Protection Officer prepares an annual report to inform the management of the status of data protection in the company as well as ad hoc when necessary. The awareness of our employees with regard to data protection is of paramount importance, particularly in the context of the rapid development of modern information and communication technology. Despite every conceivable technical measure, humans remain a critical data protection factor. For this reason, every employee is issued with our guideline on data protection. Staff then have to undergo training in data protection through a self-learning course. This course

must be repeated at regular intervals (at least every two years). In addition, pursuant to the Federal Data Protection Act (BDSG), all employees are sworn – usually when they are appointed – to uphold confidentiality, statutory requirements and to protect data secrecy, which continues after the end of employment. Every employee must ensure that data entrusted to them are never divulged to unauthorised third parties. Moreover, the data may not be falsified or destroyed. Any employee who suspects that data protection regulations are not being observed should inform the Data Protection Officer at once.

GRI 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data

No substantiated complaints in connection with the protection of customer data were received in 2020.

GRI 419: Socioeconomic Compliance 2016

GRI 103 | Management approach 2016 (including 103-1, 103-2, 103-3) (UNGC: Principle 10)

As a commercial real estate financier, we have a special responsibility for guaranteeing fit and proper business practices. On the basis of these practices, our Compliance Department acts as a central interface for all the other departments of the Bank. The Compliance Department regularly reports directly to the Chair of the Board of Management.

GRI 419-1 | Non-compliance with laws and regulations in the social and economic area

There were no fines or sanctions imposed on Berlin Hyp during the reporting year. Nor were monetary sanctions imposed on the Bank for non-compliance with laws and regulations.



About the GRI Index 2020

Since 2016, we have produced an annual report in conformity with the systematic structure of the Global Reporting Initiative (GRI). This is an international standard for sustainability reporting. Our intention is to provide our stakeholders with a transparent report on key management initiatives, measures and performance indicators. We worked together with the various stakeholder groups to determine the key standards for specific disclosures. The GRI Report also serves as Berlin Hyp's Communication of Progress (COP) for the purposes of the United Nations' Global Compact (UNGC). As usual, the report is being published in German and English. You can find more information on how we take responsibility on our website → www.berlinhyp.de/en.

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