

A partnership built on trust

Berlin Hyp



**Green. Stable.
Future-orientated.**

Berlin Hyp AG Sustainability Report 2016

Informative in two formats

This sustainability report of Berlin Hyp provides information on the main topics and activities regarding the sustainable development of the Bank and its products. A new approach to the report design has been adopted for the 2016 reporting year. Firstly, the Bank is reporting for the first time in the form of a GRI balance sheet in accordance with the Core option of the 2016 Global Reporting Initiative (GRI) Guideline. The GRI balance sheet also includes an annual progress report on the implementation status of the ten principles of the UN Global Compact and is published on the Internet at www.berlinhyp.de/en.

Secondly, the balance sheet is complemented by this sustainability report. The combination of a report and balance sheet means that information is provided in two formats aimed at specific target groups. Whereas the report focuses on salient activities to promote sustainability and reports on them in qualitative terms, the balance sheet provides experts with detailed information on essential management approaches and performance indicators. Cross-references are marked with an icon in the text → [GRI](#) for those readers who wish to read the report and the balance sheet in parallel.

All the data and facts presented in the report relate to the 2016 reporting year. The editorial deadline was 30 April 2017. For sustainability reasons, we are not publishing printed versions. Wherever the concise gender-specific form is used in place of gender-neutral differentiation, it always refers to both sexes. Further information on the topic of sustainability at Berlin Hyp can be found [here](#).



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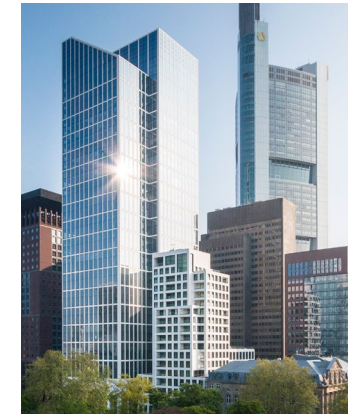
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Open Dialogue

“We want to think in terms of the future. We are perceived as one of the best and most sustainable real estate financiers in our strategic markets.”



SASCHA KLAUS
Chairman of the Board of Management of Berlin Hyp

Following a strong upward trend in recent years, the market is becoming increasingly challenging for commercial real estate financiers. Apart from a plethora of regulatory requirements, the competitive situation on the market has sharpened. Though demand remains consistently high, an increasing shortage of offers is gradually making itself felt. How can a bank successfully meet demands for responsible corporate management and still safeguard its long-term growth in this environment? How is Berlin Hyp positioned between tradition and modernity in a market environment that is becoming increasingly difficult to negotiate? Sascha Klaus, Chairman of the Board of Management of Berlin Hyp, Georg Fahrenschon, Chairman of the Supervisory Board of Berlin Hyp and President of Deutscher Sparkassen- und Giroverband, and Ralf Behnke, Sustainability Officer of the Bank, discuss these questions pertaining to the Bank's future strategic course. The discussion was moderated by Vanessa Landschoof-Schlichting, Head of Sustainability Management.

Mr Klaus, is Berlin Hyp developing into a green bank?

Sascha Klaus: We will remain who we are: one of the biggest commercial real estate financiers in Germany. But sustainability is gaining importance – both for banks and for the real estate market. According to the German Minister for the Environment, buildings account for around one third of resource consumption and CO₂ emissions in Germany. Sustainable solutions for the construction and renovation of buildings are therefore gaining in importance. Berlin Hyp recognised the opportunities created by this trend many years ago. It has therefore made sustainability an integral part of its corporate strategy and is promoting sustainability through its processes and structures. In the past two years, we have focussed with great success on the sustainable development of our core business and have created processes and structures in the Bank to identify and incentivise green building financing. At the end of 2016, we already had 1.8 billion euros worth of green building financing on our books. When we issued the world's first Green Pfandbrief in April 2015, it caused a furore on the capital market. By the autumn of last year, we had also issued a Green Unsecured Bond, making us the very first bank to issue Green Bonds in more than one asset class. Positive feedback in conversations with various stakeholders has convinced me that we are on the right track with our sustainable strategy.

Georg Fahrenschon: Berlin Hyp is a trailblazer in the financial sector when it comes to sustainability and sustainable products. In that sense, we can say that Berlin Hyp has developed into a green real estate financier.



The real estate market is in constant flux and is deeply rooted in society. What social changes, megatrends and political decisions affect the core business most strongly? Sascha

Klaus: Our core business is affected by many factors. For example, I think demographic change is a significant and consequential factor. By 2050, Germany is expected to be overtaken by the United Kingdom or France as the most populous country in Europe. Despite immigration, the absolute number of residents in Germany is falling. As a population we are becoming smaller and older and tend to live in single households. The average household size in 2014 was 1.99 people. This has serious consequences for the real estate market in a number of asset classes. For example, the baby boomer generation will ensure sufficient demand for nursing and social housing and is expected to nearly quadruple the number of care homes needed over the next 40 years. At the same time, the shrinking population as well as the increasing importance of online shopping and rising productivity per unit area will cause supermarkets to close in droves, and office buildings will stand empty as more and more workers enter retirement.

Georg Fahrenschoon: Another clear trend, which has long since become part of our reality, is urbanisation. We see it, for example, directly on our doorstep in Berlin, but not just here. Germany benefits from young people wanting to embrace an urban lifestyle. In addition, immigration and asylum seekers are boosting demand for housing in cities. At the same time, however, there is a trend for young families and the elderly to move outside city boundaries. But regardless of location, financing of housing is a matter of considerable significance for many people, especially in times of low interest rates. It is therefore all the more important for our savings banks to know that in Berlin Hyp they have a partner with a deep understanding of real estate and real estate markets.

From left to right: RALF BEHNKE (Head of Corporate Development), SASCHA KLAUS (Chairman of the Board of Management of Berlin Hyp), GEORG FAHRENSCHON (Supervisory Board of Berlin Hyp)



Ralf Behnke: As a real estate financier, we have a unique opportunity to fill gaps in demand and facilitate life designs for whole generations. We can offer our customers innovative concepts to increase density and create more housing – especially in highly desirable inner-city locations. Even a high-rise building can provide quality housing. By also financing social housing, we are making a contribution to social welfare and creating fundamental assets for the economy. In so doing, we are providing a sounding board for one of the 17 global sustainable development goals

of the United Nations: promoting sustainable cities and communities.

Sascha Klaus: We create assets, while consuming resources in the process. The potentials we can unlock by applying this process to all aspects of the value-added chain as sustainably as possible are equally great. Thus, the ten principles of the Global Compact of the United Nations are not just a guideline for us but a binding obligation. We are also expressly committed to combating climate

change, and we aim to counter its impact with our products. Therefore, by 2020, 20 percent of our real estate portfolio will consist of green financing. We also plan to reduce our CO₂ footprint by five percent in 2017 in comparison to the previous year.

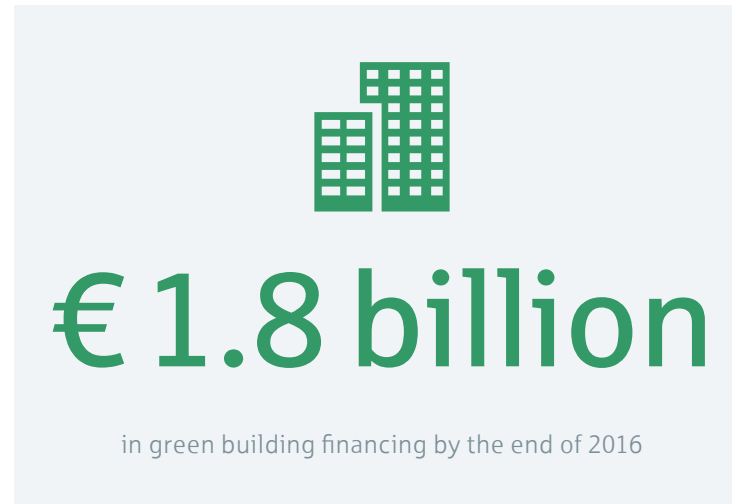
Those are ambitious goals that call for a strong implementation strategy. Sascha Klaus: I'm very confident that we are well poised to meet those goals with the help of the strategic orientation of our core business towards green financing, the issuance of Green Bonds and our comprehensive sustainability management.

Georg Fahrenschoen: And we are doing so with considerable economic success and a huge reputational gain for the Savings Bank Organisation. We depend on our customers' trust. I therefore welcome the fact that Berlin Hyp is developing its business as a member of the Savings Bank Organisation while also achieving intrinsic value by minimising environmental and climate risks.

Sascha Klaus: The principle of ethical responsibility lies at the centre of our corporate management: We don't finance real estate that is directly associated with radioactive materials, genetically modified organisms, endangerment of threatened species or illegal child or forced labour. Loss of trust and reputational risks pose the greatest threats to our business.

Responsibility and sustainability are, of course, matters of controversy. Ralf Behnke: Dialogue is part of the company's sustainable approach. Take, for example, gender equality – a global development goal that we would also like to contribute to. To this end, we have agreed a target quota for the two manage-

ment levels below the Board of Management. Some of our management teams have already achieved gender parity, and this shows that we're on the right track.



Sascha Klaus: Many of our employees expect us to place the company on an sustainable footing. Our commitment is therefore firmly embedded in our corporate strategy and is an integral part of our corporate culture. However, diversity, equality, work-family balance and equal opportunities are values that we can influence only to a limited extent through target quotas. We have to create incentives and embrace an appropriate corporate culture. Commitment at the managerial level is therefore very important. But such developments take time, as we have to contend to some extent with established customs and a desire to preserve the status quo. We are on the right path for tackling these complex topics with our future process berlinhyp21 – agil.vernetzt.creativ, which we launched at the end of 2015.



Mr Klaus, the final word in this roundtable discussion is yours. Could you please venture an opinion as to what the future has in store. Sascha Klaus: Berlin Hyp has set a clear course for the future. We will promote digitisation of processes and future-orientated modernisation of the IT landscape for new and existing business. This will allow us to become steadily faster and more efficient. We're proud of the fact that we're perceived by the market as a green real estate financier. We will therefore continue to devote ourselves energetically and with firm conviction to making our core business sustainable. And, of course, we will always remain obligated to our shareholders and will continue to develop our business as a partner within the German Savings Bank Finance Group. In short, when it comes to sustainability, Berlin Hyp will remain one of the most proactive banks in Germany. Only companies that continue to develop can fare well in the market. Sustainability will always be a key element of our corporate strategy.

Solid Growth



“Thanks to its innovative capacity and clearly defined profile, Berlin Hyp is now a sustainability-promoting financial institute on the German real estate market with stable earnings.”

GEORG FAHRENSCHON
Chairman of the Supervisory Board of Berlin Hyp

Everything centres around real estate at Berlin Hyp. Founded in 1868 as Berliner Pfandbriefinstitut, the long-established bank underwent several reorganisations, culminating in the founding of today’s joint stock company in 1993. At the time, the only shareholder was the state of Berlin. In 2010, Landesbank Berlin AG acquired the remaining shares of Berlin Hyp that were still in the hands of NordLB, and on 25 January 2011 it became the sole shareholder of Berlin Hyp. Since 1 January 2015, Berlin Hyp has been an independent subsidiary of Berliner Sparkasse within Landesbank Berlin Holding AG. As part of the restructuring of Landesbank Berlin, Berlin Hyp has positioned itself as an independent real estate financier within the German Savings Bank Finance Group.

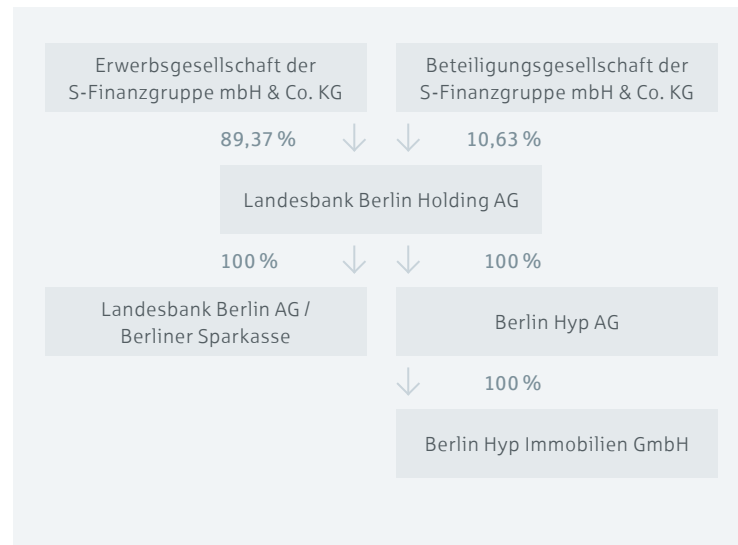
Clear profile

As a specialised finance institute, Berlin Hyp has been active on the real estate market for nearly 150 years. It focuses on large-

volume real estate financing for professional investors, housing societies, housing cooperatives, building contractors and developers. In geographic terms, our projects focus on urban areas in Germany and selected European markets outside Germany. Berlin Hyp offers a diverse range of financial products that include fixed-interest loans, reference-interest loans, cash loans, surety credit, interest-rate-hedging products, financial products, business current accounts, working capital loans, day or fixed-term money, evaluations and payment transaction services. A conservative risk strategy and a clear focus on prime real estate are at the heart of all our financial activities. Their mid-term and long-term refinancing is achieved through the issuance of mortgage Pfandbriefe, public Pfandbriefe and senior unsecured and subordinated bonds. Berlin Hyp is a reliable partner on the capital market, managing its treasury with a high degree of professionalism, diligence and transparency. Since the first Green Pfandbrief was issued in 2015, Berlin Hyp has been perceived within the finance sector as a sustainably operating financial institute. The course-changing decisions in favour of this development were made by the top management in 2013. Since then, corporate development has been coordinated and fostered by the sustainability management.

Well positioned

The bank’s business is managed by a Board of Management, which bears full responsibility. Sascha Klaus has been Chairman of the Board of Management since October 2016. He manages the Bank’s business together with Gero Bergmann and Roman Berninger. The Supervisory Board consists of 15 members. Be-



Integrated within the corporate structure of Landesbank Berlin Holding

sides five members from the group of employees, members of the German Savings Bank Finance Group also have seats on the Supervisory Board. Their work is supported by three committees: the Staff and Strategy Committee, the Audit Committee and the Loan Committee. Berlin Hyp is divided into a total of 15 divisions with 46 departments and teams. The Bank has 585 employees and has sales offices in Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Munich and Stuttgart in Germany as well as in Amsterdam, Paris and Warsaw.

Strong in partnership

As a partner to savings banks, which act as the principal banks for many regional housing companies, Berlin Hyp has a wide range of approaches for commercial real estate: office, logistic,

retail and residential real estate are financed through conventional mortgage loans, sureties, counter sureties and intermediate finance. By structuring club deals, leading consortia and making placements, Berlin Hyp acts as an arranger for all savings banks. In particular, products such as the backed ImmoSchuldschein, which allows savings banks to take advantage of the revenue opportunities of commercial real estate financing, and the ImmoKonsortial product, which allows savings banks to participate in regional consortium business in smaller volumes through a simplified loan process, provide added value for savings banks. The full-service package for saving banks includes the publication of specialist documents such as studies, residential reports and trend barometers and provides outstanding evaluation expertise.

Top results

In the 2016 financial year, Berlin Hyp achieved a highly gratifying result of € 72.2 million before profit transfer. € 50.0 million was added to the fund for general bank risks. The net interest income and net commission income increased by 17 percent to € 298.4 million compared to the previous year. Despite a continuing low-interest phase, intensive competition on the commercial real estate market and pressure on margins, Berlin Hyp once again exceeded the positive result of the previous year in the real estate finance business by 11 percent, realising € 6.0 billion (including long-term extensions).

Business developed jointly with savings banks was also positive in 2016. The network within the German Savings Bank Finance Group was consistently expanded with a total volume of € 1.5 billion. € 476 million of this was accounted for by three ImmoSchuldschein transactions. Hence, the number of



savings banks involved in Berlin Hyp financing through ImmoSchuldschein increased to 90. The volume in the joint consortium business exceeded the billion euros mark for the first time to reach € 1.1 billion.

Berlin Hyp also performed well in the 2016 financial year with regard to the refinancing situation. The bank accepted outside capital with a volume of € 2.6 billion for mid-to-long-term refinancing. Market access was ensured at all times.

Berlin Hyp attracted much attention as the first non-governmental entity to issue a bond with a negative initial return and to issue a green Senior Unsecured Bond, each of which attained a volume of over € 500 million. After the Green Pfandbrief was issued in financial year 2015 and the Green Senior Unsecured Bond was issued the following year, Berlin Hyp became the first issuer of Green Bonds in more than one asset class. Thirty-five new investors were gained with the second issuance. Nineteen percent of the Green Senior Unsecured Bonds were placed with companies in the Savings Bank Finance Group and 12 percent directly with savings banks.



Urban Trend



“Cities are the living space of the future. We promote modern building projects and energy-efficient solutions to improve the quality of urban living.”

GERO BERGMANN
Member of the Board of Management of Berlin Hyp

Berlin Hyp urban

It takes innovative ideas and vision to design the city of the future, an urban living space that is green and livable in every respect. Simply building willy-nilly is no good! The concrete-grey city does not reflect a sustainability-conscious society, nor is it a reasonable answer to urgent social, infrastructural and ecological issues. Berlin Hyp has risen to these challenges with a view to promoting low-emission and resource-efficient building, minimising the use of surface area, relieving the infrastructure and creating affordable housing. The Bank is making a concrete and quantifiable contribution to sustainable urbanisation through providing incentives for Green Building Finance with a price discount of ten basis points, which was approved by the Board of Management. The scheme takes various conceptual approaches to achieve efficient urban development.

The future of the city

Whether Berlin, Munich, Stuttgart, Frankfurt, Cologne, Hamburg or Düsseldorf, population density is increasing in Germany's “big seven” cities. For example, Frankfurt's population grew by 16,000 between 2014 and 2015. Cologne reported a record population size of over one million at the end of 2015, while Berlin is approaching the four-million mark. People are moving into cities for various reasons: immigration, study, jobs. For many people, living in a city means better education opportunities, a good infrastructure in every meaningful way, cultural participation and an attractive range of services and leisure activities. And everyone wants cities that serve as nexuses of change and innovation. At the same time, however, it is becoming increasingly difficult to design cities as livable environments. High levels of air pollution, chronic traffic jams, inadequate public transport and growing social inequality tend to diminish the quality of life in cities. Modern building projects therefore focus on urban densification with a complete infrastructure for the essential requirements of daily life. There is a trend towards sustainable ecological construction based on regenerative energy concepts.



| | |
|---|---|
| Project name | Sahle Wohnen Objektart |
| Type of property | Office / business building |
| Location | Jungfernstieg, Hamburg |
| Customer | Sahle Wohnen |
| Main lessee | Vodafone |
| Financing volume | Approx. € 25 million |
| Sustainability certificate/ energy certificate | Energy certificate that meets the green building criteria of Berlin Hyp |

Best
inner city location

Approx. **€ 25** million
financing volume

Modernising existing properties

It all begins with modernising existing properties, i.e. renovating properties and building extensions. The main thing is to think high and to create innovative, livable spaces in loft spaces and high-rise buildings. This was achieved with the construction of an office and business building for Sahle Wohnen, which Berlin Hyp helped to finance. This building is in an exposed location in close proximity to Alsterhaus on Hamburger Jungfernstieg.



| | |
|---|---|
| Project name | The Park |
| Type of property | Office building |
| Location | Prague |
| Customer | DEKA |
| Rental floor area in m ² | 116,058 |
| Sustainability certificate/ energy certificate | Energy certificate that meets the green building criteria of Berlin Hyp |

116,058 m²

12 properties

Nature at the centre

Nature must be a key construction element in urban centres, because it improves the microclimate and the quality of life of residents. Green facades regulate temperature and improve air quality. Smart materials and surfaces generate energy. The Park shows how this can be achieved. The real estate project is located around ten kilometres south of the Czech capital of Prague and comprises twelve properties featuring a high-quality building design. The campus has a rental floor area of approximately 116,000m², almost all of which has been leased. Links to the local public transport network and the motorway are very good.



| | |
|---|---|
| Project name | Taunusturm |
| Type of property | Office and business building complex |
| Location | Frankfurt am Main |
| Customer | Tishman Speyer Properties |
| Year built | 2014 |
| Rental floor area in m ² | 65,465 |
| Sustainability certificate/energy certificate | LEED Platinum and energy certificate that meets the green building criteria of Berlin Hyp |

44 apartments
19 floors

Energy efficiency

Worldwide, cities consume 75 percent of all energy generated and produce 80 percent of all greenhouse gases. To drastically reduce the energy consumption of cities, the energy systems of properties must be modernised and, ideally, transformed into small power stations. In expanding its green finance portfolio, Berlin Hyp is increasingly giving preference to energy-efficient commercial properties that have been issued with either a suitable energy certificate or a sustainability certificate. In addition, Berlin Hyp issues Green Bonds for refinancing such green building loans. The Bank is also doing everything in its power to invest an amount equivalent to the emissions return on Green Bonds into new suitable assets. The reference property is the Taunus Tower. Located in the middle of Frankfurt's banking district, it comprises a 40-floor office tower and a 19-floor residential tower housing 44 apartments. The property was built to the latest standards and is certified to the LEED Platinum rating level.



| | |
|------------------------------|--|
| Projektname | Wohnportfolio Frankfurt (Oder) |
| Objektart | Wohnportfolio |
| Standort | in mehreren Stadtbezirken Frankfurt (Oder) |
| Kunde | Wohnungswirtschaft Frankfurt (Oder) GmbH |
| Mietfläche in m ² | rund 82.000 |
| Finanzierungsvolumen | 12 Mio. € |

€ 12 million financing volume
energy efficiency

Creating housing

The growing need for inexpensive housing for low-income households calls for new construction and modernisation of existing social housing. This is the only way of ensuring that everyone has access to appropriate and safe housing. Financing such projects for housing cooperatives, non-profit housing organisations and housing companies is therefore an integral part of the core business of Berlin Hyp. The fact that an expert is available as a contact at every Berlin Hyp sales office shows just how seriously this goal is being pursued.

Systematic Approach



“Basic convictions and clear guidelines define us as a sustainable financial institute. They determine our position and our clear course in sustainability matters.”

RALF BEHNKE
Head of Corporate Development and Sustainability Officer

Real estate creates value and builds assets. It is the foundation for commercial activity and housing development and benefits the economy. The real estate sector makes an important contribution to the development of a vibrant, efficient and livable infrastructure. Berlin Hyp is committed to putting the economic contributions of its banking business on a sustainable footing. To this end, it aims to make all financing and business processes ecologically and socially sound. Ambitious and comprehensive goals, principles and procedures have been defined above and beyond the wide-ranging ESG (Environment, Social, Governance) criteria and legal requirements. A structured management approach ensures that this commitment is rooted in routine business practices.

Guidelines for sustainable development

As early as 2013, the Board of Management of Berlin Hyp expressed the underlying challenge in the form of a sustainability

guideline. In recognition of the ten principles of the UN Global Compact, it describes key areas of activity for sustainable development.

The sustainability principles of Berlin Hyp

Guiding principle 1: We pursue a long-term, responsible and risk-conscious business policy, thereby reliably contributing to the positive development of the economy and society.

Guiding principle 2: We welcome the voluntary inclusion of ecological and social aspects in real estate and the capital markets. We are constantly improving our own ecological and social footprint.

Guiding principle 3: We take responsibility for the quality of our work. We conduct ourselves fairly, comply with statutes and adhere to relevant voluntary standards.

Guiding principle 4: We offer our staff long-term professional prospects in conjunction with an extensive advanced training programme. We promote social diversity and health in our company and support our staff during social crises.

Systematic Approach

These guidelines incorporate established standards, including the German Sustainability Code, the sustainability guidelines of the German Savings Banks' Finance Group, the Sustainability Code of the German Property Federation (ZIA), the Diversity Charter and the Green Bond Principles. They serve to cast the guidelines in concrete terms and as an orientation framework for responsible business processes. Guidelines on implementing the standards complete the regulations of Berlin Hyp. They are always formulated along the lines of a specific topic. The guidelines for social and ecological product responsibility define sustainable urbanisation, long-term economic growth and measures to combat climate change and they are established as goals for the core business. To this end, the guidelines specify the promotion of social housing construction, the issuance of Green Bonds and the definition of ESG criteria, and exclusion criteria for financing. The guideline on communication with stakeholders addresses and operationalises responsible marketing. The Code of Conduct, which was updated by the Board of Management in 2016, serves as a binding orientation framework for all employees and the Board of Management. It prescribes proper and ethically acceptable conduct towards colleagues, customers, sales partners, service providers and other market players in everyday business activities. This requirement is also devolved to contractors and suppliers in the form of a sustainability agreement. Other guidelines on sustainable real estate financing and corporate environmental protection are also in place.

Functional structure and task distribution

Clearly defined responsibilities and procedures ensure implementation of the guidelines within the organisation and processes of the Bank. Because sustainability is a traditional interface



Sustainability management at Berlin Hyp

topic, the organisational structures were set up in such a way as to ensure that all employees in the company are able to make a contribution. This is achieved through coordination between the Board of Management, the Sustainability Officer, the Sustainability Management Team and the Sustainability Working Group, which consists of the responsible division heads of Treasury,

Real Estate Financing, Loans, Human Resources and Organisation/IT as well as an employee representative from the Supervisory Board. Decisions and findings of the Working Group are reported to the Board of Management through the Sustainability Officer. The Chairman of the Board of Management bears overall responsibility for the sustainability strategy.

Systematic Approach



Committed to sustainability: the Sustainability Management Team

The Sustainability Officer, who also heads the Corporate Development Division, and the Sustainability Management Team are partners of all stakeholders, including customers, rating agencies, investors and employees. They are responsible for reporting, supporting the divisions in planning sustainability measures and initiating the updating of the sustainability strategy. For this purpose, they regularly exchange information with the Sustainability Working Group. In addition, they discuss the current status of individual measures, plan further developments and discuss their implementation. The Working Group has precise knowledge of current sustainability trends and their relevance to the finance and real estate market. It defines the main sustainability topics, updates the sustainability programme, coordinates interdivisional measures and calls the sustainability management to account at least once a year with a view to reviewing and updating the ongoing process.

The sustainability management maintains an important interface to the environmental management, which focuses on company environmental protection and was validated pursuant to EMAS in 2016.

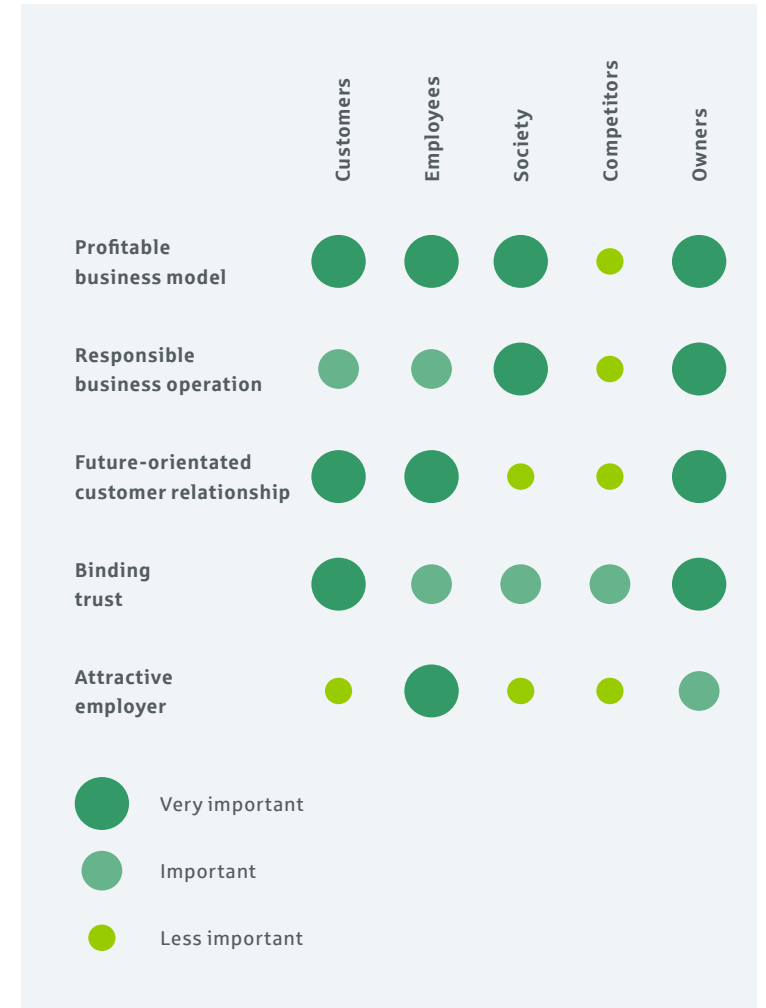
Focus on materiality

Berlin Hyp seeks to engage in communication with stakeholders and initiators with the aim of refining its strategies. It listens to and discusses their expectations. How can the business model be made future-proof? How can customers be reached more effectively? Which sustainable products win over customers? How can the business be optimised in terms of the environment? What would make Berlin Hyp even more attractive as an employer? To answer these questions, the Bank makes use of established discussion formats, which it maintains in order to institutionalise dialogue with customers, business partners, employees, political decision-makers, administrations, media, environmental and social associations and competitors on the capital market. Wishes and expectations expressed in these dialogues are evaluated against the following relevance criteria. The more relevant a stakeholder is to the core business of Berlin Hyp and the more professional the stakeholder’s organisational level is, the more important its demands are for the company’s sustainability management. Traditionally, customers (owing to their relevance to the core business) and the critical public (owing to their watchdog function) are seen as particularly relevant stakeholders.

In a second step, the expectations of relevant stakeholders are summarised in a list of topics and are prioritised by the Sustainability Working Group. The guiding principle is that the more important a topic is for the stakeholders (in terms of their



expectations) and the more important it is for Berlin Hyp (in terms of commercial success), the more relevant it is.



Main sustainability topics at Berlin Hyp



The topics identified in this way are assigned to activity fields. Measures are then derived, planned and integrated in a sustainability programme with a clear time horizon. In this way, a link is ensured between the materiality analysis and the operational work in sustainability management.

The sustainability programme for 2016 consisted of 20 measures, all of which were met successfully and in full. The ongoing development programme has been continued in the 2017 sustainability programme, for which 15 measures were defined.

The current environmental programme contains 17 measures aimed at optimising the ecological use of materials, reducing emissions and saving water. Details can be found in the section “Efficient at the Sites” on [p. 19](#).

| Activity field | Measure | Deadline |
|--|---|----------|
| Profitable business model | Development of a concept to achieve the goal of 20 % green financing by 2020 | 12/2017 |
| | Review and, if required, definition of a concept for extended measurement of the impact of the entire financed real estate portfolio. | 12/2017 |
| | Review of the direct influence of the UN Sustainable Development Goals on the business model of Berlin Hyp | 12/2017 |
| Responsible business operation | Development of a concept and review of carbon-neutral events | 12/2017 |
| | CO ₂ offsetting of employee business trips by air | 04/2017 |
| | Implementation of the switch from company cars to hybrid vehicles as old agreements lapse | 06/2017 |
| | Implementation of the Mission E project | 12/2019 |
| Future-orientated customer relationship | Further development and process optimisation of the Green Bond concept | 12/2017 |
| | Preparation of a concept for sustainable loan products | 12/2017 |
| | Further development of the brand message of Berlin Hyp | 12/2017 |
| Binding trust | Further development of guidelines, e.g. instruction system | 12/2017 |
| | Organisation of a Sustainability Day for employees | 12/2017 |
| | Evaluation of an external review of sustainability tasks | 12/2017 |
| Attractive employer | Continuation of the Seitenwechsel® project | 12/2017 |
| | Further development of the cooperation with Kinderhaus Berlin-Mark Brandenburg e.V. | 12/2017 |

Sustainable Core Business

“We have gained a supporter in Berlin Hyp that has played a strong pioneering role with the issuance of the first Green Pfandbrief.”



SEAN KIDNEY
CEO Climate Bonds Initiative

Berlin has integrated sustainable measures in its core business with conviction and far-sightedness. Whereas the financing of energy-efficient buildings by Berlin Hyp was more or less random a few years ago, it is now a strategic objective and was monetarily incentivised for the first time in 2016. The acceleration of the purchase or development of energy-efficient buildings is our contribution to reducing CO₂ emissions, given that more than a third of such emissions worldwide is released by buildings. At the same time, we are convinced that modern resource-saving buildings belong to the future and that their value develops more favourably than that of less energy-efficient and less sustainable buildings, particularly during times of lower dynamic growth on the real estate markets than we have experienced in previous years. The monetary incentivisation therefore constitutes an investment in the sustainable economic success of Berlin Hyp.



| | | |
|---------------------------|----------|----------------|
| Social rating | C | „Prime“ |
| Environmental rating | C+ | „Prime“ |
| Total contribution | C | „Prime“ |
| Sustainable bond rating | B | „good“ |

Date of information: 31 December 2016



| | | |
|----------------------|-----|-----------------|
| Public Pfandbriefe | A | „very positive“ |
| Mortgage Pfandbriefe | CCC | „neutral“ |
| Unsecured bonds | B | „positive“ |

Date of information: 31 December 2016



| | | |
|---------------------------|----------------------|-----------------------|
| Social Rating | 88 out of 100 | „Leader“ |
| Environmental Rating | 84 out of 100 | „Leader“ |
| Governance | 59 out of 100 | „Average Performer“ |
| Total contribution | 76 out of 100 | „Outperformer“ |

Date of information: 31 December 2016



| | |
|--------------------------------|---------------|
| Sustainability score | 68 out of 100 |
| Economic sustainability factor | 1.10 |

Date of information: 31 December 2016

Promoting green financing

To actively promote green financing on the asset-side, Berlin Hyp now systematically checks all loan queries for any relevant sustainability aspects immediately after the initial contact as part of its credit review process. For this purpose, selection and preference procedures have been defined for the financing of energy-efficient commercial buildings. Based on the princi-

ples of the German Property Federation (ZfA) for the financing sector cluster, Berlin Hyp’s Guideline on Sustainable Real Estate Financing focuses not only on the characteristics of comfort and functionality of properties but also on the quality of transport links. It takes into consideration the use of persistent and toxic-free building materials, green leases (leases with a focus on sustainability) and the energy efficiency of a building. Green buildings are handled in a special way. For Berlin Hyp, these are commercial properties whose energy values are below the reference values of the Energy Saving Directive (EnEV) or, ideally, for which a relevant sustainability certificate has been issued. Properties therefore have at least LEED gold status, BREEAM very good status, DGNB gold status (silver status for certificates issued up to 30 June 2015) or HQE high level status. Loans for financing such properties are currently being promoted by granting a discount of ten basis points. The up-to-date status of the suitability criteria is discussed at regular meetings of the Green Building Commission, which consists of one representative each from the Corporate Development, Sales, Loans, Evaluation and Treasury divisions. The Green Building Commission is headed by the sustainability management. The team prepares meetings, records results and monitors their implementation.

Stringent selection

The Bank has defined standardised processes for checking green building eligibility. As with all loan decisions, the double-checking principle applies here. Relevant documents for green building financing are requested early during preliminary talks with the loan customer. Foremost among such documents are an energy certificate or, preferably, a sustainability certificate for the properties to be financed. Experts in



This office building in Wrocław, which was financed by Berlin Hyp, received the BREEAM “very good” seal of approval.

the Evaluation Division then check, applying Bank-defined criteria, whether green building eligibility exists on the basis of the documents submitted by the customer. This initial decision is stored in digital form in the Bank’s IT system. In this way, the customer advisor receives timely information as to whether green building eligibility exists and, if so, can take into account a discount of ten basis points in the preliminary calculation of the loan. In a second step, employees in the Treasury Division check whether the asset can be used for its Green Bonds. Only if both divisions, Evaluation and Treasury, confirm green building eligibility are the incentivised terms for calculating the loan definitively taken into account.

This sharpened view on its own assets and consistent promotion of sustainable buildings has enabled Berlin Hyp to succeed in more than tripling its green building portfolio from € 657 million in 2015 to just more than € 2 billion over the past two years. The 2016/2017 annual report identifies more than 11 percent of

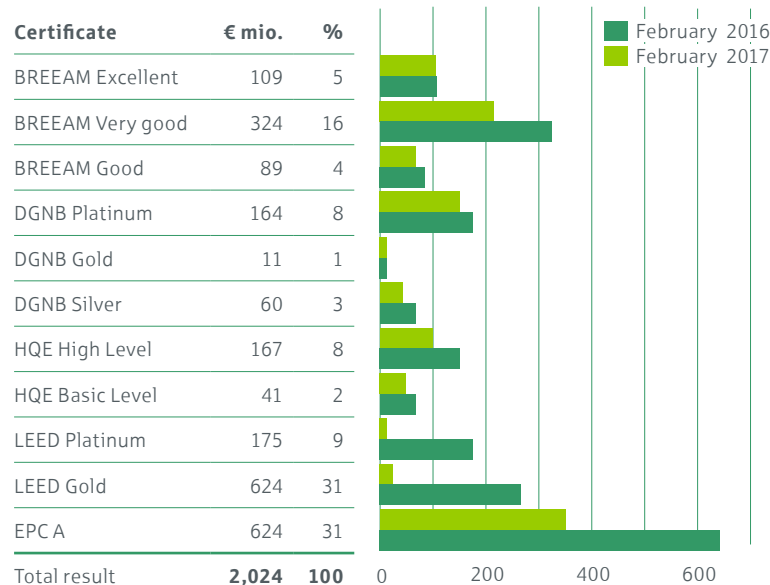


Green building identification process

the entire loan portfolio as being energy-efficient and ecologically optimised. The bank aims to increase this share to 20 percent by 2020.

Green Bond issuances

Berlin Hyp traditionally refinances itself by issuing mortgage Pfandbriefe and unsecured bonds. However, the observable trend towards more sustainability on the capital market is restrained by the fact that there are a limited number of green investment



Certificates in the green buildings sub-portfolio

opportunities. Berlin Hyp recognised the opportunities this created at least three years ago and applied its profound experience and precise knowledge of the real estate market to play a strong pioneering role. In April 2015, the bank presented an especially attractive investment opportunity with the development and issuance of the world's first Green Pfandbrief. The Bank expanded its investor base for refinancing green buildings and integrated the core business in its existing sustainability strategy.



The issuance caused a furore and paid off. An order book of nearly € 2 billion was generated for the € 500 million Pfandbrief with a seven-year term and a 0.125 percent interest coupon, meaning that the bond was four times oversubscribed. German investors led the way with 71 percent, followed by Scandinavian investors with 13 percent and investors from Austria and Switzerland with eight percent. 48 percent of the issuance went to sustainable investors. Green buildings were refinanced with the revenues from the issuance, and at the same time a promise was given to the market: during the term of the Green Pfandbrief, the Bank agreed to invest an additional amount equal to the revenues from the issuance in new green building financing.

The Green Bond Programme

The success of the issuance of the Green Pfandbrief was the reward for diligent preparation. Taking this as a starting point, an intensive process of further development was launched after the issuance in order to continue to do justice to the increasing need for green buildings on the real estate market and rising demand for Green Bonds on the capital market. In the process, Berlin Hyp's programmatic demand for maximum transparency for its investors was met by defining prerequisites for the issuance of Green Bonds, implementing the Green Bond Principles and defining requirements for green buildings.

Today, these demands and standardised processes are summarised in Berlin Hyp's Green Bond Programme, which is published at www.gruener-pfandbrief.com. The programme stipulates that a new Green Bond can only be issued if green building financing is posted in the Bank's balance sheet with a sufficient total nominal value and that this has not already been used for previous Green Bonds.

To ensure that this promise is kept, Berlin Hyp has obligated itself to replace any asset about to mature only with other suitable assets and to set aside a ten percent safety buffer for each issuance. Thus, the total nominal value of suitable assets on the Bank's balance sheet exceeds at least 110 percent of the nominal value of all outstanding bonds plus that of a new Green Bond to be issued at all times.

Green Bonds in two asset classes

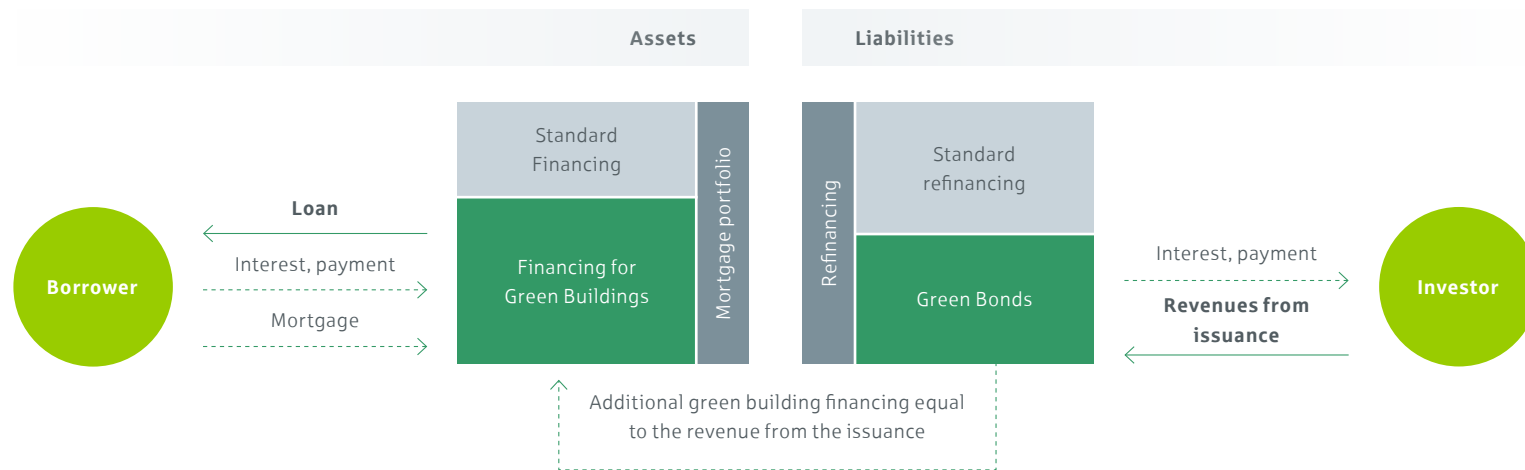
The development of the Green Bond Programme paved the way for the next pioneering achievement just one year after the Green Pfandbrief was issued: In September 2016, Berlin Hyp issued the first Green Senior Unsecured Bond, making it the first

entity to issue Green Bonds in more than one asset class. As with the Green Pfandbrief, the Bank refinanced green buildings with the unsecured Green Bond and at the same time promised to invest an amount equal to the revenues from the issuance in new green building financing throughout the term of the bond. The € 500 million bond has a term of seven years and carries a 0.5 percent interest coupon. With an order book of over € 1.2 billion, the bond was oversubscribed by a factor of 2.4. German investors led the way with 53 percent, while Austrian and Swiss investors accounted for a combined total of 13 percent. They were followed by British and Scandinavian investors with eleven and nine percent, respectively. 41 of the investors were sustainable investors. In addition, 35 investors participated for the first time.



Transparent reporting

In accordance with the formal specifications of the Green Bond Principles, Berlin Hyp reports on the use of issuance revenues in its comprehensive annual reporting. It also has the ecological added value of the bond reviewed and confirmed by a second party. This evaluation is performed by the sustainability agency oekom research. This independent entity evaluates the sustainability of the issuer, the formal agreement of the criteria of the investment product with the Green Bond Principles and the sustainability of the product itself. The information in the existing stock report is complemented by a report on new business and an impact report on saved CO₂ emissions. Investors can use this information to keep abreast of the status of the Green Bond Programme at all times. (www.gruener-pfandbrief.com) On the anniversary of the first issuance, Berlin Hyp published its first report on the development of Green Building financing in its mortgage coverage stock. One year later, on 27 April 2017, the Bank reported for the second time on development of the green finance portfolio, and a third status report followed on 29 April 2017. Accordingly, the portfolio currently contains 42 green building financings with a volume of € 2,024 million. Furthermore, more than three quarters of the portfolio is in the cover funds of Berlin Hyp. Eight loans with a total nominal value of € 600 million for financing 18 green properties have been added to the green finance portfolio since the latest report. Taking into account the € 176 million in new business in the first report in 2016, we have invested € 756 million in new loans for green buildings since the Green Pfandbrief was issued.



How Green Bonds of Berlin Hyp work

Impact reporting

Berlin Hyp attempts to quantify and break down the ecological added value of the Green Bond Programme with the help of impact reports, which form an integral part of the annual reporting. It identifies the CO₂ savings achieved through the financing of green buildings, thus helping to illustrate the ecological impact of the investment. A number of assumptions exert a significant influence on the estimate. Depending on the choice of the benchmark, assets can be compared either with the energy efficiency of the average existing European building or with the current energy reference values stipulated by the Energy Saving Directive (EnEV). Emissions are either assigned to Berlin Hyp in full or on a pro rata basis according to the Bank's stake in the financing. Each reporting year, the impact report therefore contains four different estimates. Depending on which benchmark is applied, between 4.5 and 28.7 tonnes of CO₂ per year are saved, thus generating a tangible ecological added value. Thanks to this differentiated impact report, Berlin Hyp is the first German commercial bank to publish an estimate quantifying the CO₂ savings achieved by loans refinanced through its Green Bonds.

Saved tonnes of CO₂ / € million / year

100 percent assignment to Berlin Hyp financing

Pro rata assignment depending on the share of Berlin Hyp in the financing

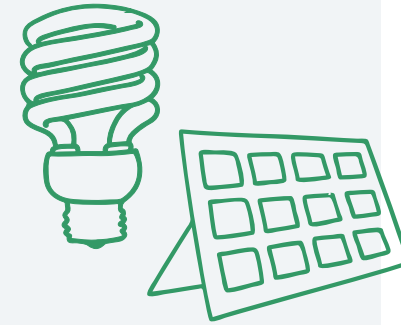
| | Date of information: 29 April 2017 | Date of information: 29 April 2017 |
|---|------------------------------------|------------------------------------|
| Comparison with the European average | 28.7 | 13.7 |
| Comparison with the current EnEV standard | 9.6 | 4.5 |

Results of the impact report



Winner of numerous awards: Berlin Hyp Green Bonds

Efficient Sites



“Berlin Hyp’s campaign for energy-conscious conduct relies on changes in the conduct of individuals that can release savings potential in the collective.”

TOM KÜSTER
Energy Agency NRW

The headquarters of Berlin Hyp is located in the centre of Berlin in close proximity to Berlin Zoo. The aim is to minimise the direct environmental impact of the two buildings used by the Bank. To this end, less energy and water should be used, emissions and waste reduced, hazardous substances safely handled and environmental and sustainability aspects considered before procurement. Since 2016, this plan has been operationalised by a comprehensive management system that complies with the EMAS Directive. The system is based on clearly defined, measurable and time-linked targets and the assignment of responsibilities. Its efficacy is ensured with the help of internal environmental audits and an assessment of their results by means of regular management reviews. → [GRI](#)

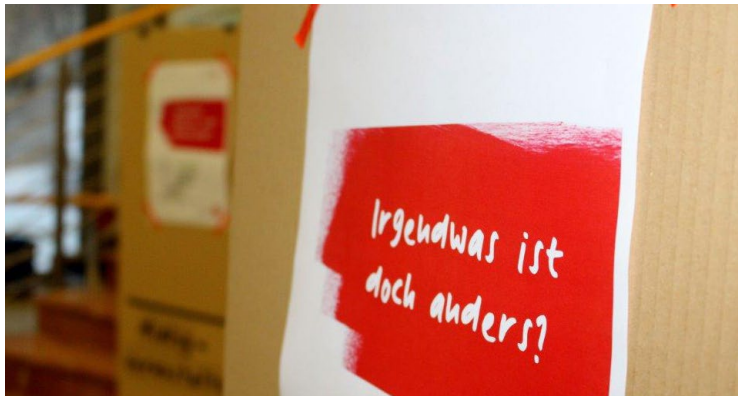
Systematic environmental protection

The Environmental Management Representative, who reports directly to the Board of Management, is responsible for reducing direct environmental impact and implementing agreed measures. He is supported by the Environmental Management Officer, who is responsible for collecting data on quantities and consumption and for monitoring the success of individual measures. He heads the interdisciplinary Environmental Protection Committee, which comprises representatives from the various divisions of the Bank and convenes at least twice a year.

After a total of 111 solar modules with a peak nominal output of 26,729 kilowatts were installed on the roofs of the two buildings at the Berlin headquarters in 2011, an energy management project spanning several years was undertaken in 2013. As part of the project, lifts were fitted with a regenerative drive system, refrigeration machines and heat exchangers were replaced, LED lighting was installed, environmentally friendly extinguishing gases were used and the infrastructure of the heating systems was insulated. In early 2017, the environmental strategy focussed on raising awareness of energy at the workplace among the employees. In cooperation with partner organisations, which support the project with their expertise, the Environmental Management has launched an information and motivation campaign. Berlin Hyp’s Mission E was born!

Environmentally conscious use of energy

The routine is the same every morning: you hang up your coat, quickly air out the room while booting up the computer, turn on the monitor, get a cup of coffee and switch on the printer and photocopier as you go by. Our office routine is full of automatic behaviour patterns in the way we deal with electrical equipment, lighting, heating and ventilation. Experience has shown that the power of habit is the most common cause of energy wastage. In its Mission E, Berlin Hyp therefore focuses on people as energy users, the aim being to question habits and stimulate more energy-conscious behaviour with the help of various methods and activities. The “E” in the name stands for energy, efficiency, economy and emissions as well as the commitment required to reduce electricity and heat consumption. Why is it worth the effort? Because the human factor can be a significant component in the energy-saving potential for administrations: up to 15 percent for electricity and up to 20 percent of total consumption for heat, according to expert reports. The main point is that



Mission E is making the use of energy efficient, empathetic and emotional

if many individuals are actively involved in saving energy, even seemingly small contributions add up to a considerable amount. The concept of Mission E consists of numerous individual activities that promote energy-conscious behaviour on the part of employees and motivate them to play their part. It starts with encouraging people to climb stairs and ventilate offices in a reasonable manner as well as various training measures that cover new technical and organisational regulations. But it all serves a single ambitious goal: reducing company-related CO₂ emissions by five percent in 2017 compared to the previous year. → [GRI](#)

Green mobility

Mobility is an essential part of every climate protection strategy, and Berlin Hyp's is no exception. The Bank is planning a number of measures to reduce travel-associated CO₂ emissions through its Business Travel Directive and Company Car Directive. The motto for all business trips is: avoid, reduce, offset! According to this principle, a wide range of technical alternatives, for example web videoconferencing, should replace expensive and time-consuming trips. If unavoidable, every business trip should consistently be rendered climate-neutral. Thanks to emission credits acquired through sophisticated climate-protection projects certified in accordance with the clean development mechanism based on UN regulations, Berlin Hyp has offset 161 tonnes of CO₂ equivalents. The planned switch of the Bank's entire motor pool to hybrid vehicles is expected to achieve a further CO₂ reduction from 2017. A subsidised job ticket is also offered to all staff at the Berlin sites. And those who want completely neutral mobility can simply make use of the company-owned bicycle pool.



 161

tonnes of CO₂ equivalents were offset for business trips by air

Targets reliably met

All corporate environmental protection measures in the 2016 sustainability programme were met by increasing the quota for sustainably secured procurement to 60 percent, introducing an EMAS-based environmental management system, training and sensitising all staff members at a Sustainability Day and restructuring the company car fleet. Seven of 17 measures in the ongoing environmental programme to reduce direct environmental impact were fully met in the reporting period. A further seven are being implemented, and three additional targets are planned for the coming years. The complete updated environmental programme can be found at www.berlinhyp.de/en. All emissions as well as energy and paper consumption are posted in the GRI balance sheet. → [GRI](#)

Partnership as an Employer



“The collaborative support of our employees in their personal and professional development is a matter that is particularly close to our heart. After all, they’re our most important capital.”

SABINE OLEJNIK
Head of Human Resources

At the centre of our commitment to our employees is a stable working environment and long-term career opportunities in conjunction with a comprehensive further training programme. The management culture of Berlin Hyp is characterised by appreciation, target orientation and sufficient scope for decision-making and creativity. The task of managers is to support employees in their development during all work and life phases with the aim of continuously building commitment and competence. Promotion of diversity, personal responsibility and motivation form the main pillars of our sustainable human resources management.

Valuing and protecting diversity

Our guidelines for balancing family and work and the Guideline on Human Rights, Diversity and Inclusion form the basis of an

appreciative and respectful human resources policy. The aim is to achieve a business operation free of discrimination in which no advantages or disadvantages arise as a result of race, skin colour, gender or other social, personal, economic or cultural aspects. To make this commitment visible from the outside as well, Berlin Hyp has signed the Diversity Charter, thus proclaiming its commitment to equal participation and fairness in the Bank’s everyday business. The furtherance of gender equality plays a key role in this respect. Targets for the minimum number of female managers were defined, and early promotion and targeted identification of women’s potential were specified with a view to achieving fair distribution of managerial positions at the second and third levels below the Board of Management – with considerable success. As at 31 December 2016, women accounted for 49.7 percent of the entire workforce. At 27 percent, the 21-percent target share of women at the first management level below the Board of Management was exceeded. The proportion of women in the second management level fell just short of the 27 percent target by three percentage points. → [GRI](#)

Work-life balance

Flexible and individualised working time models and their continuous development are essential to balance work and life commitments. In this spirit, Berlin Hyp formulated the Company Agreement on Equal Opportunities and Family, which describes the options available for flexibly arranging working hours.



of managers at the first level below the Board of Management are women.

This is complemented by the company agreement on trust-based working hours and mobile working. These arrangements help employees balance work and life commitments during all phases of life – whether characterised by child rearing or the care of family members.

Staying healthy

Berlin Hyp continuously supports and fosters its employees' performance – whether professional qualifications or the development of personal skills. Health care and preventive measures play a key role in this respect. The Health Group, which meets quarterly, analyses anonymised medical data and, on this basis, proposes measures for promoting health. These then form the framework for health-care management measures, which the Human Resources Division develops and assumes responsibility for. Various means of promoting health and raising health awareness are offered – from occupational medical care, through reintegration in the company, to a health checkup every two years. The annual Health Day encourages and

motivates employees to work on their personal fitness through lectures by health insurance funds, fitness studios and personal trainers. → [GRI](#)

Thinking about the future

At the overall company level, the workforce is closely involved in changes and developments. For example, the berlinhyp21 future-orientated process was launched with a kick-off event for all employees in 2016. Under the motto “agile, networked, creative”, all employees across all hierarchical levels jointly discussed issues bearing on the future. What will make us fit for the future? What do we have to do to remain as successful as we have been in the past? This was the starting point for the process of change in which 20 percent of our employees are now actively involved in various capacities. They all contribute their ideas to the corporate culture and organisation. In the first step, the collaboration resulted in a concept for establishing agile and efficient working methods within meetings. To ensure that good ideas are swiftly and creatively implemented, an integrated overview of projects and topics should be established, bureaucratic formalities dismantled, networked coexistence continuously strengthened and personal initiatives encouraged on an interdepartmental basis.

Sustainability Day 2016

The Sustainability Day at the end of 2016, which the Sustainability Management Team invited all employees of Berlin Hyp to attend, provided another innovative platform for exchanging and discussing future-orientated Bank-related topics. Three lectures by experts provided food for thought to stimulate discussion of various aspects relating to sustainable development, future consumption patterns and opportunities for corporate



environmental protection. The result was a host of creative ideas about what individuals can do at their workplace to promote sustainability. Those ideas are now being incorporated in plans for future programmes.

Top results

All employee-related aspects of the sustainability programme were met in the reporting period with the organisation of the Sustainability Day to involve all employees in sustainability and environmental management and the definition of quotas for equal-opportunity employment. With a current workforce of 585 employees, the fluctuation rate in the reporting year was 2.3 percent. On average, employees have been with the company for over 16 years. Both figures impressively demonstrate the high level of satisfaction and loyalty of employees with respect to Berlin Hyp. Details on current employment data and work-related information are posted in the GRI report. → [GRI](#)



Many of Berlin Hyp's employees gathered information at the Sustainability Day 2016.

Social Commitment

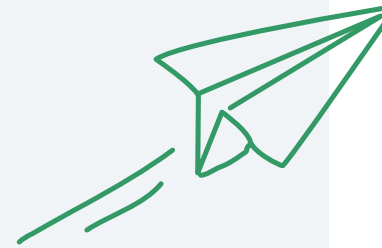
“Corporate citizenship at Berlin Hyp draws on the commitment of its employees. Such contributions are the hallmark of a good corporate citizen.”

DIETER W. HORST
Expert in Corporate Responsibility at PwC

At Berlin Hyp, the concept of sustainable corporate management includes wide-ranging social commitment. Donations in kind, monetary donations and voluntary work by employees are part of the Bank’s corporate tradition and culture. To enable employees, stakeholders and customers to see and experience this type of personal responsibility, the Guideline on Corporate Citizenship identifies points of emphasis for charitable work. Activities for socially deprived children and adolescents, company sports and corporate volunteering programmes are all promoted.

Through the year with Kinderhaus

We have been supporting Kinderhaus Berlin-Mark Brandenburg e.V. and its big and small inhabitants for over a decade. Once again in 2016, we prepared and celebrated notable occurrences during the course of the year together – almost as with one’s



own family. In the spring, colleagues made Easter nests with the children. Among the employees at the training day were sponsors who had designed and decorated school satchels for the children who were just starting school. Employees of Berlin Hyp presented a starter pack to those moving into their own place for the first time. The pack included all essential household items from a broom to a kettle to a folding ruler. In the autumn, 300 children and 150 carers were able to go on an all-expenses-paid excursion. And at Christmas, the Bank’s employees granted one heartfelt wish to every child. Activities with a total equivalent financial value of at least € 45,000 were supported in 2016.



Christmas wishes from Kinderhaus Berlin-Mark Brandenburg e.V.

Helping and learning

As a further development of the Bank's voluntary charitable work, the Human Resources Division teamed up with the sustainability management to introduce the Social Day and the Seitenwechsel® ("Changing Sides") project, a well-balanced combination of social commitment, personal development and managerial training. The Social Day gave every employee an opportunity to support an institution of his or her own choice. Whether for a school, refugee shelter or kindergarten, employees of Berlin Hyp pitch in, work together and help out. The five-day Seitenwechsel® event for Managers provides an insight into various lifeworlds and institutions and helps employees who find themselves in difficult circumstances to meet. Dealing with hardship, disease and death helps develop empathetic and communicative skills and leads to calm, confident behaviour in crisis situations.

Promotion of company sports activities

The tight cohesion between employees of Berlin Hyp is the result of numerous joint activities. In this respect, company sports play a key role. Running, beach volleyball, cycling, bowling, conventional football and peripheral sports such as office table tennis bring people in the Bank together. Tournaments won and lost, joint trips and strenuous training strengthen team cohesion and promote the Bank's corporate culture. Sport is extensively sponsored by subsidising private sports activities of the 300-plus members of the Company Sports Club to the tune of € 15 per person per month.

Successful commitment

All aspects of the sustainability programme relating to corporate citizenship were fully and successfully met in the reporting year with the continuation of collaboration with Kinderhaus, voluntary work, financial sponsorship of company sports and activities promoting the fine arts.

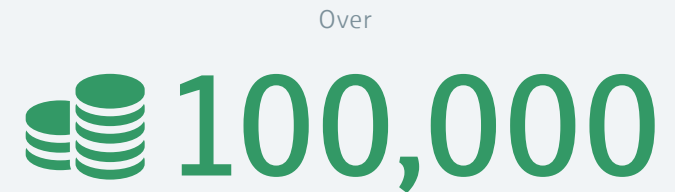
Changing sides and points of view

"They're probably wondering what a banker is doing in a children's hospice. And how can I avoid the impression that the suffering of others is merely a backdrop for my own experience." A lot of questions ran through the mind of Lars Werner, team leader at Berlin Hyp, when he began his Seitenwechsel® assignment at Sonnenhof Children's Hospice. He was somewhat reticent during the first hours of his mission. However, he soon realised that his efforts could give every child a piece of happiness. The aim is to make the children's tedious routine as easy as possible and to relieve their parents. What counts here is loving affection and warmth. The reward is gratitude! Lars Werner quickly overcame the children's anxiety about being touched. He got involved, bathed children, fed babies from bottles and pushed wheelchairs through the city. As for the manner in which death is dealt with, "every loss is handled with dignity and composure. Shared memories become a source of strength," he says. "I was glad to be able to help and provide comfort through care and attention. It was an enriching experience for me."

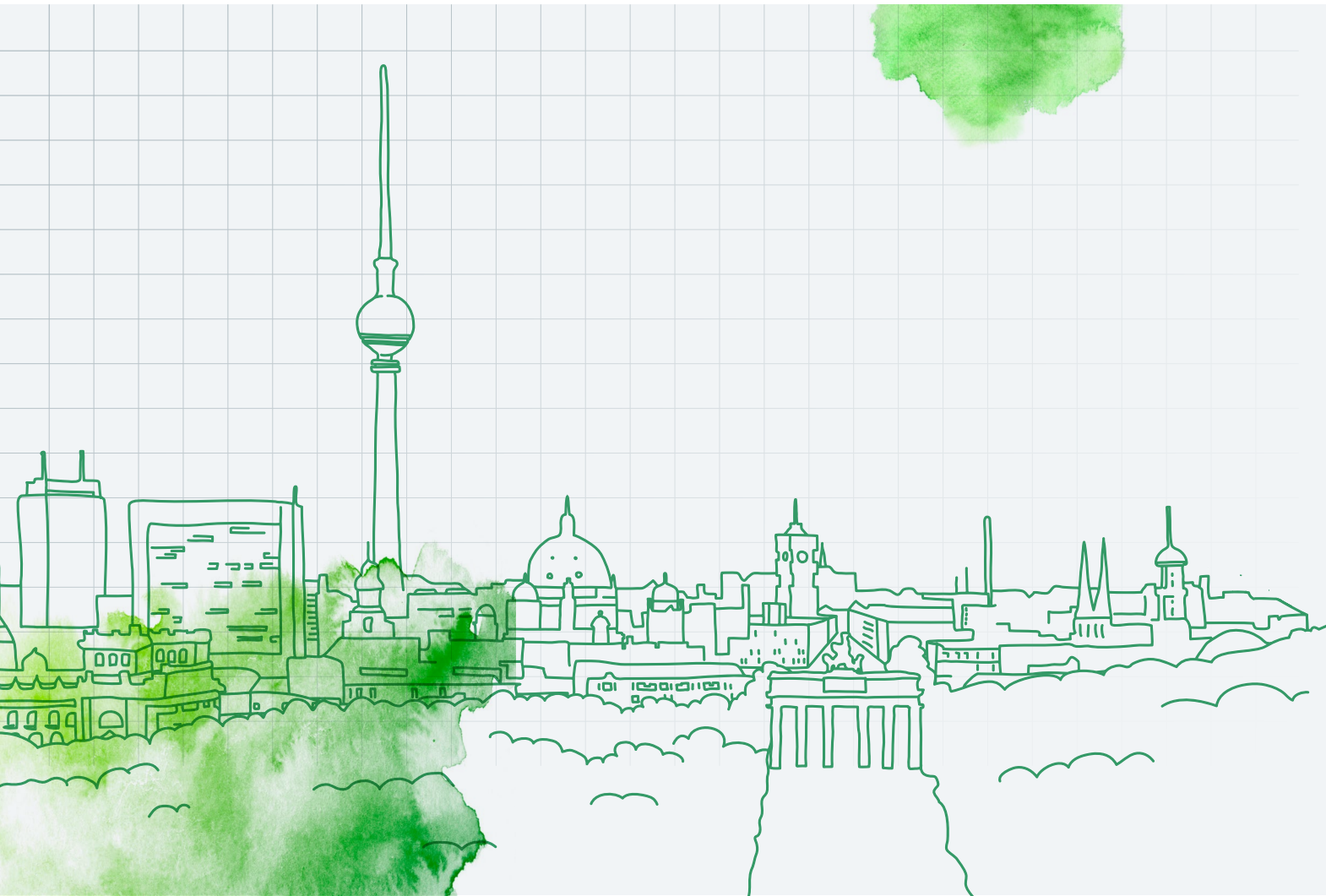


Promoting arts – supporting young artists

Cooperation with the POSITIONS Art Fair in BERLIN was once again continued this year. As part of this arts fair, Berlin Hyp has been awarding an art prize for young artists and university graduates since 2012. A jury consisting of Berlin Hyp employees is looking for newcomers whose artistic works are particularly suitable for display at the Bank's premises. The winners in 2015 were Franziska Stünkel, Tessa Wolkenstorfer and Wolfgang Ganter, whose works were presented in individual exhibitions in 2016. Nina Hannah Kornatz was also among the winners. Her works will be exhibited in 2017. In 2016, it was Peter Ruehle who won over the jury. His works will also be exhibited in the foyer of Berlin Hyp in 2017.



euros in total were donated by Berlin Hyp for charitable purposes.



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