A photograph of a green roof with wooden bee hives and flying bees. The hives are made of light-colored wood and are placed on a concrete base. A blue ribbon is tied around one of the hives. The roof is covered with tall green grass and some small blue flowers. In the background, there are modern buildings and a clear blue sky with a few clouds. Many bees are flying around the hives and on the roof.

Updated Environmental Statement 2022

(on the basis of Annex IV of the EMAS Regulation)

A partnership built on trust



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1) Company Profile

Berlin Hyp offers real estate financing services with customised solutions. Our clear focus, our more than 155 years of experience and our ability to help shape the digital transformation in the real estate industry in a forward-thinking manner all serve to confirm our position as a leading German real estate and Pfandbrief bank.

Our customers include professional investors with strong credit ratings from the private and commercial real estate sector. As an S-Group partner, we maintain a constructive dialogue with the savings banks and provide them with an extensive range of products and services.

Financing activities focus on office and commercial buildings and residential real estate.

On 26 January 2022, Landesbank Berlin Holding AG, as the seller and sole shareholder of Berlin Hyp AG, and Landesbank Baden-Württemberg ("LBBW"), as the purchaser, concluded a purchasing agreement involving the sale to the purchaser of all Berlin Hyp AG shares held by the seller. Since 1 July 2022, the LBBW Group has owned 100 per cent of Berlin Hyp, and the two organisations also concluded a control agreement that established a tax unity for sales tax purposes.

As a subsidiary of LBBW, we will continue to contribute our strengths and expertise to the Sparkassen-Finanzgruppe and act as a strong independent brand in the market.

Mission:
Environment. Society.
Responsibility.



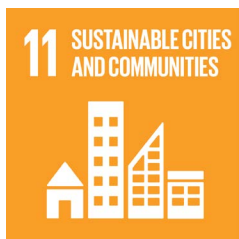
Sustainability and ESG have been central components of our business strategy for years and we play a pioneering role on the capital market in the development of sustainable refinancing products. At the same time, we promote the financing of sustainable real estate in order to help drive the transformation of the real estate market and contribute to achieving the goal of climate neutrality.

Our firm belief: In order to be modern, you need to be sustainable

At Berlin Hyp, we have a very clear goal, which is to become the most modern real estate financier in Germany. We understand that we can only achieve this goal by acting in accordance with the principles of sustainability and aligning all of our business activities with such principles. An important component in this regard is our environmental management system, which we established several years ago. This system is certified in accordance with EMAS requirements.

We have a broad view of sustainability: On the one hand, sustainability relates to a way of thinking and doing business that helps safeguard and protect our natural resources and the environment. However, sustainability goes beyond that, as it also means taking on social responsibility and ensuring good corporate governance. This broad view of sustainability has also established itself internationally under the abbreviation ESG, which stands for environmental, social and governance. ESG forms the foundation for how we measure our sustainability performance, and when we talk about ESG, we are also talking about sustainability, and vice versa.

We are guided in our actions and behaviour here by the United Nations Sustainable Development Goals (SDG), whereby we are particularly committed to SDG 11 (Sustainable Cities and Communities) and SDG 13 (Climate Action).



We are committed to the Paris Climate Paths for the Federal Republic of Germany and are actively working to promote the transformation to an economy marked by lower greenhouse gas emissions. We are also committed to achieving carbon neutrality by 2050 and – in line with the Climate Paths – we aim to reduce CO₂ emissions by 40 per cent between 2020 and 2030. This applies not only to our own business operations but also, and in particular, to our core business of real estate financing.

Our objective: To promote, facilitate and finance the transformation

The necessary shift to carbon neutrality is one of the most important issues at the moment in the real estate industry. If this issue is not addressed, the building sector, which depending on the estimate in question accounts for anywhere between 30 per cent and 40 per cent of total CO₂ emissions in Germany, will find itself in a precarious situation in terms of its assets being able to continue to serve as stable collateral.

At the same time, buildings in our latitude are also exposed to the negative effects of climate change, such as increasing climate and environmental risks – e.g. temperature and weather changes

To put it in a more positive way, one can say that our methods for planning, building, investing and financing give us an important and effective instrument to help ensure a world worth living in for future generations – and we are very much aware of our responsibilities in this regard.

Our approach: Four dimensions

Berlin Hyp's approach to sustainability encompasses four dimensions, each of which addresses all aspects of sustainability/ESG. You will find a detailed description of this approach in Section 2.

Sustainability in business operations

We continue to align business operations at Berlin Hyp with sustainability principles and targets. This includes our efforts to reduce our carbon footprint as much as possible in terms of resource consumption and other negative environmental impacts. We also act as a responsible employer and take measures to ensure that our entire supply chain is sustainable.

Sustainable business portfolio

As one of the leading real estate financiers in Germany, we help people invest in existing real estate, the construction of new buildings and building modernisation. Our customers here include investors as well as individuals or businesses seeking to construct or purchase buildings and houses. A large number of our customers are already adopting measures to make their business activities and their properties more sustainable. We are helping such customers transform their buildings into more energy-efficient, sustainable properties and in this manner are contributing to greater sustainability in the real estate and financial sectors.



ESG risk management

We are integrating ESG criteria into our risk management systems and processes in order to ensure we can identify and systematically control opportunities and risks. These systems and processes address both financial and non-financial risks, which means we are always able to consider all relevant aspects whenever we need to make risk management decisions.

Transparency and ESG capabilities

It will take a long time to create a sustainability-based economy and social structure, and many issues will need to be clarified in the interim. We are making every effort to integrate principles of sustainability into our normal business processes step by step. Consistency, competence and transparency are a must here.

Outstanding Performance

Berlin Hyp’s clear commitment to sustainability is honoured every year by several prestigious rating agencies. These agencies regularly evaluate the various measures and new approaches we implement in the area of sustainability.

Over the last few years, Berlin Hyp has been able to attain a very good position in the overall sustainability rankings published by the rating agencies, and the Bank also receives top marks in its peer group.

The rankings also serve as a management instrument for identifying new opportunities and areas where improvements can be made.



Selected Sustainability Ratings 2023

Industry Leader



Number 4 out of 129 in the Financials/Mortgage & Public Sector Finance peer group (April 2022)		
S/G rating	C+	“Prime”
Environmental rating	B	“Prime”
Overall rating	B-	“Prime”



ESG report: Number 1 out of 101 savings banks and mortgage banks worldwide (March 2023)		
ESG risk report	7.1 out of 100	Negligible

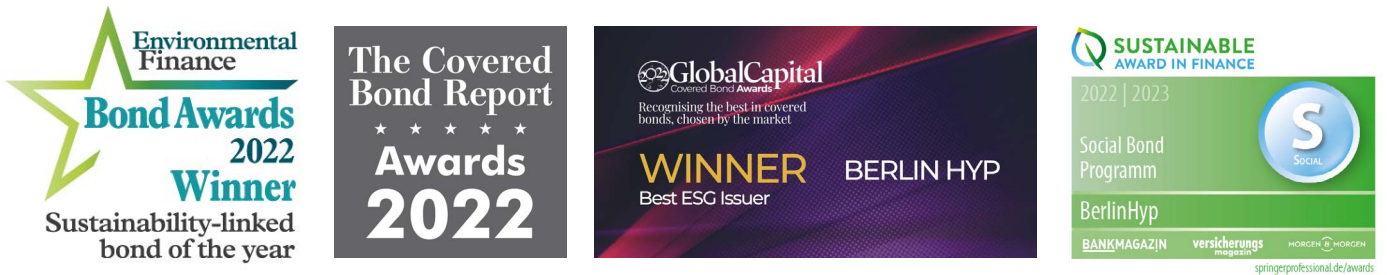


Sustainability rating (March 2023)	AAA
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These very good results from the rating agencies document Berlin Hyp’s outstanding commitment to sustainability management, honour its investment products (Green, Social and Sustainability-Linked Bonds) and recognise its responsible attitude with regard to people and the environment.

Berlin Hyp's sustainability-related activities can be considered exemplary, and the standards the Bank applies here can also serve as an example for the entire real estate industry.

This is additionally confirmed by the wide range of prestigious awards the Bank has received:



Berlin Hyp recorded contracted new lending in the amount of €5.8 billion in 2022, which was slightly lower than the result from the previous year (€6.1 billion).

2) Environmental Policy and Environmental Management System

This updated Environmental Statement issued by Berlin Hyp for the year 2022 for its headquarters in Berlin (at Budapester Strasse [construction site for the new building], Corneliusstrasse and Tauentzienstrasse [temporary leased alternative office space]) presents the progress that has been made with environmental management at Berlin Hyp.

Each year, our reporting also more extensively takes into account the progress that has been made with the construction project for the new headquarters and describes the specific developments and milestones in this regard in detail in special sections of the Environmental Statement.

The circumstances described in the 2021 Environmental Statement remain in effect in connection with this statement – specific changes are explained.

Environmental Policy at Berlin Hyp

As one of the leading real estate financiers in Germany, Berlin Hyp has a special responsibility to society. This means we have an obligation to employ effective environmental protection measures at our company, and along our value chain, in order to promote responsible economic development and help safeguard the livelihood of people today and future generations, whereby this also means working to limit global warming to significantly less than 2°C in line with the Paris Agreement targets, and if possible even to 1.5°C, as compared to the pre-industrial age.

The goal of achieving climate neutrality by 2050 is also part of our ESG Vision, whereby we ourselves will begin compensating for any

remaining unavoidable emissions in our business operations by 2025 at the latest.

We believe we have an obligation to our customers, shareholders, employees, suppliers and society in general with regard to acting responsibly, and we seek to ensure sustainable development in line with the United Nations Sustainable Development Goals.

Within this framework, our environmental policy, which applies to all employees and managers throughout the company, focuses on the continuous improvement of our environmental performance.

Our environmental policy takes into account

- the three UN Global Compact principles on environmental protection¹,
- the ten principles of the Zentraler Immobilien Ausschuss e. V. (ZIA – German Property Federation) industry code regarding sustainability²,
- the four principles of sustainability formulated by the Deutscher Sparkassen-und Giroverband e. V.³,
- the “Commitment by German savings banks to climate-friendly and sustainable business practices”⁴,
- six of the EU’s environmental targets defined in Regulation 2020/852 (EU Taxonomy Regulation)⁵.

Our environmental policy is implemented by means of an environmental management system and is based on the following framework:

- A commitment to reliable and efficient compliance with all statutory and other environmental protection regulations that apply to Berlin Hyp, as well as compliance with Berlin Hyp’s own internal guidelines and other relevant stipulations relating to the external environmental impact of our business activities.

1 Principle 7: Businesses should support a precautionary approach to environmental challenges.
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
<https://unglobalcompact.org/what-is-gc/mission/principles>

2 <https://zia-deutschland.de/project/zia-nachhaltigkeitsleitfaden>

3 In particular, Principle 3 “3. We are committed to conducting our business in a resource efficient manner.”
<https://im-auftrag-der-gesellschaft.de/2016/haltung/nachhaltigkeitsstrategie>

4 www.sparkasse.de/aktuelles/selbstverpflichtungsnachhaltigkeit.html

5 https://www.deutscher-nachhaltigkeitskodex.de/de-DE/Documents/PDFs/Sustainability-Code/Taxonomie_Factsheet_DNK_August21.aspx

- A commitment to taking active measures to avoid unnecessary environmental impacts. Wherever this is not possible, measures are taken to reduce such impacts, provided such measures are technically and economically feasible. This applies especially to energy and water consumption, emissions and waste, and the environmental impact of our financing portfolio.
- Consideration of ESG aspects in our financing and refinancing activities in accordance with the respective frameworks (Sustainable Finance Framework, Green Bond Framework and Sustainability-Linked Bond Framework – see (s. www.berlinhyp.de/en).
- Active promotion of the ecological transformation through the provision of support to stakeholders seeking to make the transition to a climate-neutral building stock.
- Continuous improvement with regard to our environmental management activities and environmental performance. To this end, we assess the environmental impact of our portfolio and regularly collect measurement and consumption data, in particular in order to ensure the effective management of our environmental protection measures.
- Full consideration of environmental and sustainability aspects when making decisions regarding the procurement of equipment, consumer products and services.
- Active promotion and support of environmental awareness and responsibility among customers, employees and suppliers, as well as on the capital market.
- Maintenance of the internal and external transparency of our environmental policy and environmental protection measures through the publication of an annual Environmental Statement.
- Expansion of our risk management system with the aim of systematically identifying and assessing the potential impact of our sustainability risks (e.g. climate risks).

If you have any questions or suggestions regarding our internal environmental protection measures or environmental protection in our value chain, please feel free to contact our Environmental Management Representative, Oliver Mehrholz (oliver.mehrholz@berlinhyp.de).



Sascha Klaus
Chair of the Board of Management

The EMAS Environmental Management System at Berlin Hyp

Organisational structure

Berlin Hyp's environmental management system was validated in accordance with EMAS for the first time in 2016. The Bank's environmental management system is also certified annually in parallel in accordance with the globally well-known DIN EN ISO 14001 environmental management standard.

The management cycle that has been employed since 2016

- is based on the long-term application of the PDCA cycle,
- consists of and ensures a continuous improvement process,
- safeguards the effective implementation of our environmental policy and environmental programme, as well as the continuous monitoring of compliance with all relevant laws, regulations and other binding obligations.

As a result of these processes, the environmental management system is firmly embedded throughout all the Bank's structures.

Compliance

We ensure that our actions are in compliance with legal requirements, our own voluntary standards and relevant regulations, such as:

- The German Commercial Waste Ordinance
- The German Federal Immission Control Act
- The Berlin Water Law
- The "Commitment by German savings banks to climate-friendly and sustainable business practices"
- The three UN Global Compact principles on environmental protection
- Six of the EU's environmental targets defined in Regulation 2020/852 (EU Taxonomy Regulation)

The complete list of all laws and regulations that apply to our business activities can be found in the schedule of legal provisions, which is reviewed on a regular basis.

Berlin Hyp meets its compliance obligations through its adherence to all of these laws and regulations.

Sustainability has also been firmly established throughout the entire Berlin Hyp organisation for several years now. This is ensured by the interaction of the Board of Management, the ESG Corporate Functions and the Management Committee, as well as the ESG Board, which consists of permanent representatives from the divisions and is chaired by the Chair of the Board of Management.

The core elements of the ESG organisational structure are:

- The decentralised assignment of basic responsibilities for integrating ESG issues and criteria into the various divisions and departments.
- The establishment of a cross-divisional and cross-departmental ESG function that is managed jointly by the Strategy and Innovation and Risk Control divisions. These divisions drive developments relating to sustainability and the ESG Agenda and ensure that all ESG-related measures at the Bank are made transparent, and that they are linked and aligned with one another whenever this might be necessary.

Organisational structure of the environmental management system (EMS) at Berlin Hyp



The LBBW Group has been the sole owner of Berlin Hyp since 1 July 2022, and the changes that have occurred as a result are already having an initial effect on issues relating to ESG and sustainability.

The structured collaboration between the two banks includes activities conducted within the framework of the ESG Content Hub that focus on aligning the criteria for green buildings, expanding the LBBW Social Bond framework to include affordable housing, and harmonising the ESG questionnaire. In addition, Berlin Hyp's ESG Corporate Function is now represented on the LBBW Sustainability Committee.

Foundations

Berlin Hyp conducts a stakeholder survey on sustainability issues every two years in order to gauge the opinions of its stakeholder groups. The Bank then performs a materiality analysis on the basis of the survey.

The last stakeholder survey was carried out in 2021 in the form of an online survey for external stakeholders, including customers, NGOs, service providers, investors and the industry

research and scientific community. The survey was supplemented by two internal workshops with employees and the Board of Management.

On the one hand, these workshops analysed the extent to which the business activities of Berlin Hyp have a significant impact on individual sustainability aspects, such as employee concerns or environmental concerns. On the other hand, they examined whether the sustainability aspects were relevant in terms of being able to understand our business development, business results and Berlin Hyp's position.

The materiality analysis from 2021 was reviewed and updated in an all-day expert workshop in 2022.

Here, the following areas of activity were confirmed as essential:

- Consideration of ecological criteria when issuing bonds.
- Consideration of ecological criteria when selecting financing projects.
- Environmental management activities at the Bank's locations.

The performance of a comprehensive stakeholder survey is being considered for 2023.

The determination of the organisational context is made by the environmental management system on the basis of the materiality analysis conducted by the sustainability management organisation, whereby the latest developments are taken into account in each case. Since 2020, for example, all assessments made have also taken into account the construction activities for the new building on Budapester Strasse.

ESG Climate Risk Management

Berlin Hyp has integrated ESG risks into the existing risk management system and its processes in order to ensure that all opportunities and risks can be identified and systematically controlled. These systems and processes are intended to address both financial and non-financial risks. Berlin Hyp has established a central function for ESG risks within the ESG risk management system. This function is used to implement measures for the design of a framework for risk controlling. Such measures include the "Integration of ESG risks into existing risk types" and the "Quantification and integration of ESG risks into rating models".

The Bank has started developing methods for the annual climate risk analysis that enable the assessment of the effects of transitory and physical risks on the risks of Berlin Hyp. First, a methodology ("scenario analysis") was developed to assess the effect of physical and transitory risks on the credit risk, which constitutes the most important risk at Berlin Hyp.

A materiality analysis is performed on a regular basis in order to determine the influence of physical risks. Berlin Hyp concluded a contract with vdp Research for the preparation of this analysis and also performed a natural hazard analysis with the K.A.R.L. analysis tool from Köln Assekuranz Agentur. The analysis examines risk damage caused by storms, tornadoes, floods, heavy rains, storm surges, earthquakes, hail, tsunamis and volcanoes. The results can be summarised as follows (as of 30/9/2022):

→ At the aggregated level, the property portfolio is exposed to a low physical risk.

→ The anticipated average annual damage is 0.087 per cent of the aggregated market value of €83.3 billion – i.e. €72.34 million.

→ The highest relative risk (0.26 per cent) is in the Netherlands, whereby the biggest risks here relate to storms and storm surges and flooding.

→ Natural hazards that pose the highest risks in absolute terms are storms (€36.5 million), floods (€11.9 million) and storm surges (€6.1 million), whereby these together account for 75.4 per cent of the risk.

These expected damage figures are used in the methodology we developed in order to assess the future impacts of climate risks on our customers' default probability based on assumptions that also take into account the buildings' insurance status.

The impact of the transitory climate risk on Berlin Hyp's credit risk is also evaluated using a scenario analysis. In this case, the main drivers of rating changes are modernisation costs and rising energy prices. The estimated modernisation costs for the next 30 years amount to €9.1 billion. These costs constitute not only risks for Berlin Hyp, but also business opportunities – e.g. in the form of sustainable financing products such as the transformation loan. Further information on this topic can be found in the "Management Report for the short financial year from 01.07.2022 to 31.12.2022" in Section 3.4.2 "Consideration of ecological criteria when selecting financing projects".

The combination of the physical and transitory scenario analyses makes the significance of climate risks quite clear: The climate risk is likely to result in a slight increase in the default probability in the long term, and thus in a higher risk for the Bank.

Currently, the risk control organisation is working on methods to extend the materiality analysis to additional risk types (market, liquidity, operational and strategic risks).

The environmental management system draws upon the analyses conducted by sustainability management and regularly assesses risks and opportunities in the context of Berlin Hyp in connection with significant environmental aspects in the stakeholder analysis and the schedule of legal provisions. The relevant environmental regulations and other binding requirements relating to the environment that are listed in the schedule of legal provisions are reviewed on a quarterly basis, as are other provisions and requirements contained in the schedule of legal provisions that Berlin Hyp has agreed to comply with. The schedule of legal provisions has been expanded to include a new section for environmental legislation that must be complied with in

connection with the new construction project. The schedule is reviewed on a regular basis with regard to this aspect as well.

The Third Year of Our New Construction Project

A variety of preliminary considerations led to a decision approved by the Supervisory Board in 2019 to launch construction of a new headquarters building at our long-established location at Budapester Strasse. The construction of a new corporate headquarters for Berlin Hyp marks a major step towards achieving more sustainable banking operations. The building, which was designed by the Danish architecture firm C.F. Møller Architects and is scheduled to be completed by the end of 2024, is sustainable in several different ways.

The deconstruction of the old building was completed in 2021; here, Berlin Hyp took care to recycle and dispose of all materials in an environmentally friendly manner. This applies to all building elements, which were separated and recycled in the vicinity of the construction site – only around eight kilometres away. The overall recycling rate amounted to more than 85 per cent. In addition, the majority of small office furniture, materials and equipment from the building that were no longer needed were donated or auctioned off and were therefore put to further use. Berlin Hyp has received pre-certification in platinum for its entire building deconstruction project from the German Sustainable Building Council (DGNB).

Energy efficient: The new headquarters will require around 50 per cent less energy to operate than the old building. The use of geothermal energy sources and the special design of outdoor areas and open spaces with extensive roof greening measures will reduce CO₂ emissions, and photovoltaic systems installed on the peripheral façade will improve the building's energy performance even further.

Our Berlin Hyp employees can look forward to a modern working environment that promotes creativity, communication and collaboration in the different offices and areas in the new building – and on its various green terraces. Thanks to a broad approach that encourages participation, the Bank's employees can also get actively involved in relevant decision-making processes that relate to the new building.

Construction progress and the associated environmental aspects are presented in a clear and transparent manner on the [Berlin Hyp website](#).

Important milestones in 2022:

- Completion of demolition
- Completion of the excavation pit with special civil engineering work and 60 geothermal boreholes
- Launch of building shell work in December 2022
- Decisions made with regard to façade optimisation

One World. One Goal. One Team.



In order for environmental management to be effective, its principles must be consistently applied to all processes at Berlin Hyp and also be accepted and complied with by the Bank's employees. Employees are in fact a driving force of continuous improvement in environmental performance and the establishment of environmental awareness throughout the organisation. By incorporating employees into various initiatives and programmes, and providing them with important information, Berlin Hyp has in fact succeeded in creating an atmosphere in which many employees bring up and/or address environmental issues on their own and also include environmental aspects in their goal agreements.

Selected highlights from the past year:

→ Presentation by Dr. Gunter Mann, President of the Bundesverband GebäudeGrün BuGG e.V. (German Association of Building Greening), on the topic of roof greening, followed by a stroll across our green roof



→ A presentation by Susanne Bergius on the banking industry's responsibility to work towards climate neutrality was attended by 50 employees

→ Every year as part of the activities during Berlin Hyp's Social Day, different groups also choose to participate in projects relating to environmental protection (e.g. trash collection campaigns)

→ Planting campaign with our service provider Piepenbrock



With regard to the new construction project, Berlin Hyp understood clearly that it needed to offer a broad range of participation opportunities and involve employees from the very beginning, and as extensively as possible, in the project and the sustainability planning that preceded its launch. Internal participation was made possible here by, among other things:

→ The opportunity for all employees to participate in the selection of desks, lamps, privacy screens and blinds, and the design of workplace bags/pouches

→ Discussions in the various divisions, departments, etc. to choose their locations in the new building, as well as discussions about the needs and requirements of individual teams

→ The selection of "feedback officers" from every division, department, etc. to ensure that all organisational units would be incorporated into the various processes

→ The deployment of multipliers to address issues and questions relating to the new building, office locations and planning

→ The establishment of a working group for interaction between the Works Council and the division responsible for the new construction project (B-One)

→ Regular discussions in the "Working Environment 2024" working group as a link between the architects and the interests of the Bank

→ The introduction and implementation of a new format for providing employees with information and offering them opportunities to provide feedback: "B-One Lunch" events on a regular basis in order to discuss the latest news about the construction project – in connection with environmental issues and the associated challenges posed by the new working environment as well

The internal auditor team once again performed audits and conducted other processes relating to environmental management in 2022.

Internal auditors serve as company-wide multipliers and thus play a very important role at the Bank.

3) Impact of Our Business Activities on the Environment

Identification of Significant Environmental Aspects

All of the environmental impacts resulting from our business operations are identified with consideration for the company context and regularly reviewed and evaluated on the basis of clear and comprehensive criteria. Our assessments of environmental aspects take into account the relevance and potential of our scope of influence, as well as our local and global impact on the environment, the extent and content of relevant legislation, and all the associated costs, risks and opportunities.

Key environmental aspects for Berlin Hyp at the moment are energy consumption (electricity and heat), emissions from business travel and, above all, the indirect impact of our financing activities. Unlike the case in previous years, paper consumption no longer had a significant environmental impact in the year under review. We continue to make progress with digitalisation, and this has led to a major reduction in our paper consumption.

The project-specific environmental aspects associated with our new building are of a different nature: Because they relate directly to the construction measures, they are only temporary and their nature and scope are different from the environmental aspects of regular operations that have been considered to date. Despite the temporary nature of these aspects relating to the construction of the new building, we still regard them as material aspects, which is why we mention them here:

- Recycling rate
- Energy efficiency
- Raw material consumption
- Future developments
(sustainability, operating costs, life cycles)
- Waste
- Biodiversity

These aspects are identified and considered in the context of the company's business operations in terms of the extent to which they are

not addressed within the framework of the binding targets and performance specifications agreed on with the contractors.

The same applies to the project-specific consideration of risks and opportunities, and the expectations and requirements of stakeholders. A controlling matrix and additional regulations in the environmental management guidelines are used to document additional concerns and issues, which are then discussed in the construction meetings that are held on a regular basis.

Product Ecology – Greatest Impact, Best Opportunities

Buildings are one of the major influencing factors on the road to the climate neutrality we seek to establish. The German government's climate protection concept for the European Commission's "European Green Deal" therefore defines extensive requirements for buildings. For example, plans call for the CO₂ emissions caused directly by buildings to be reduced by 53 million tonnes of CO₂ (from 120 million to 67 million tonnes of CO₂) between 2020 and 2030.

As a pioneer with regard to its Green Pfandbrief, and as the most active issuer of green bonds from the group of European commercial banks, Berlin Hyp is doing its part to achieve the required transformation. In the process, the Bank is assuming both climate and corporate responsibility.

The EU and its member states are looking to play a leading role worldwide in the area of green finance. As a result, the financial and real estate sectors will be facing a whole range of new requirements. These include the EU taxonomy for sustainable financial transactions, the incorporation of climate risks into bank risk controlling systems, measures related to the EU's stated goal of achieving carbon neutrality in the building sector by 2045, and requirements in connection with German legislation that stipulates a more than 40 per cent reduction in CO₂ emissions caused by buildings over

the next ten years. Berlin Hyp plans to continue with its efforts in all of these areas.

Sustainability agenda

Within the framework of its core business activities, Berlin Hyp offers interest-rate incentives that promote the development of environmentally friendly and energy-efficient commercial real estate, and since 2015 it has also been very successfully issuing Green Bonds for the refinancing of such properties.

At the very beginning, the Green Finance portfolio consisted of 17 green buildings and a total lending volume of €657 million.

Throughout the reporting year, the underlying Green Finance portfolio increased from €7.3 billion to €8.9 billion and now contains 386 buildings (2021: 314).

The Bank has developed new processes along its entire value chain and has specified the suitability criteria for green buildings more precisely by continuously incorporating new expertise. The criteria are also now stricter than before, and the methodology for reporting has been refined several times. In 2016, an incentive of up to ten basis points for green loans was introduced, and in 2017 the Bank began setting annual strategic sustainability targets for its core business activities. These targets were incorporated into our far-reaching sustainability agenda in 2020. This agenda focuses on the following:

1. Commitment to the Paris Agreement and the Climate Paths of the Federal Republic of Germany
2. Increasing the share of green finance in the Bank's loan portfolio to one-third by 2025
3. Portfolio transparency by 2023 – systematic determination of energy values, CO₂ by 2023 and climate risks by 2025
4. Introduction of a further sustainability product: the Transformationskredit (transformation loan)

Transparent performance presentation

After the EU Action Plan for “Financing Sustainable Growth” was published, the regulatory pressure on CO₂-intensive industries to achieve climate targets increased. This in turn has increased the significance of the transparent presentation of sustainability activities and their impacts, opportunities and risks.

In addition, a high degree of transparency within the company supports efficient and targeted planning and control.

In November 2022, Berlin Hyp published its new Sustainability Guideline, which comprises and transparently presents all material sustainability guidelines for the core business, including the exclusion of business activities in industries bearing relevant sustainability risks.

Another successful step was joining the United Nations Environment Programme Finance Initiative (UNEP FI) and signing the Principles for Responsible Banking (PRBs) in October 2022. The initiative catalyses measures throughout the financial system in order to align the economy with sustainable development. The clear commitment to the United Nations Principles for Responsible Banking is another step towards manifesting Berlin Hyp's sustainability strategy. Within the framework of the PRBs, Berlin Hyp will also publish an annual progress report. The first report was scheduled to be published in the second quarter of 2023.

In the last quarter of 2022, Berlin Hyp started the “Decarbonisation Path” project. The project aims to achieve science-based management of the business portfolio with regard to CO₂ neutrality by 2050 at the latest. Here, the project seeks to establish a measurement methodology harmonised with the procedure of the Partnership for Carbon Accounting Financials (PCAF), the Science Based Targets Initiative (SBTI) and already existing internal data/methodologies. The implementation of the measurement methodology with an appropriate control concept is to be achieved using an external service provider by the end of 2023.

The EU Taxonomy Regulation

The EU Taxonomy Regulation (Regulation (EU) 2020/852 – Taxonomy Regulation) was published in the Official Journal of the European Union on 22 June 2020. The EU Taxonomy Regulation and the numerous associated delegated regulations and annexes introduced a classification system for ecologically sustainable economic activities. In particular, the regulation provides uniform criteria to determine whether an economic activity in the European Union can be classified as environmentally sustainable.

This classification is generally viewed as necessary for the broad integration of sustainability considerations into the financial sector and the real economy. One of the objectives of the regulation is to ensure that the criteria for environmentally sustainable economic activities are

clear and uniform. The specific aim of the taxonomy is to measure the degree of environmental sustainability of economic activities and therefore of individual investments, corporate activities and entire real-economy and financial enterprises. The overall objective is to achieve transparency and comparability. Capital flows should move more easily into environmentally sustainable economic activities and help investors (institutional and private investors, banks, etc.) with their investment decisions.

As a mortgage bank, Berlin Hyp is affected by the activities in Section 7 of the two delegated acts concerning the environmental targets of climate change mitigation and adaptation as they relate to the construction industry and real estate.

The European Commission's Delegated Regulation on EU taxonomy was published on 4 June 2021. The challenges that the classification system poses to banks as well in terms of data availability and management were addressed by the Bank in 2021 within the framework of a comprehensive ESG project for business strategy, product design processes and cooperation with individual customers and counterparties.

The EU Taxonomy Regulation sets the following environmental targets:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Portfolio A

Berlin Hyp also takes into account the social challenges associated with its own investments (Portfolio A).

It has established ethical investment criteria based on the ten principles of the Global Compact, other internationally recognised sustainability standards and the Bank's compliance requirements. The risk filter from RepRisk AG that Berlin Hyp has been using for its own investments since 2020 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 relating 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 conducted by the sustainability management organisation on the basis of the RepRisk AG risk filter reveals any violations, Treasury will consult with the sustainability management organisation on the measures to be taken, and then initiate their implementation.

Operational Ecology – Direct Influence Potential at Our Locations

In order to fully exploit our potential to influence the environmental impact generated directly at our locations, we collect data on our consumption of heat, electricity and water, as such consumption impacts greenhouse gas emissions and resource utilisation. We also monitor the number of kilometres travelled for business purposes in company cars, trains and planes, since our activities in this regard also have an influence on the generation of greenhouse gas emissions that are harmful to the climate and intensify the greenhouse effect. The production of waste also has an impact on the environment, which is why we collect data on the amount of waste we produce, as well as on paper consumption.

Other factors such as local phenomena, the risk of environmental accidents, impacts on biodiversity, and land use are monitored qualitatively and taken into account where necessary.

We also disclose data on land use in terms of its impact on biodiversity at our locations. In addition, we provide information on various types of land sealing and the manner in which land is used.

Data and information on all environmental impacts at our locations are continuously updated and expanded whenever new reliable figures become available. We implemented a

data collection system for the rented office space in the building at Tauentzienstrasse after we moved in. Certain data had not been provided to us at the time this Environmental Statement was produced. This was due to the fact that certain utility bills had not yet been sent to us.

Such data are taken into account in this Environmental Statement in the form of estimates. We also used plausible projections to report on waste figures that were not yet available to us at the time this Environmental Statement was produced.

We report on the environmental impacts of our construction activities proactively and as extensively as possible – and with the type of quality that DGNB certification enables. The EMAS reference documents for the banking and financial sector (Sectoral Reference Documents – SRDs) do not contain any standards or criteria for reporting. The European Commission has published a priority list that provides an overview of the most important reference documents that need to be created in the banking and financial sector. The reference document for the construction industry is now being developed.

With regard to construction operations, we collect data on resource consumption (water, electricity) as well as data on waste generation, material transport and other transport activities. We were unable to provide information on the amount of fuel consumed by construction vehicles at the construction site. We have a monitoring system in place for identifying the severe environmental impact caused by dust and noise during certain phases of the construction process. We also conduct a qualitative monitoring and description process for biodiversity, water supplies, water as a resource and pollutants (see the section that follows).

The Bank also plans to commission an ecological assessment of its building deconstruction activities. This will enable us to provide clear and transparent information on the environmental effects of construction operations.

How We Address the Effects of the New Construction Project

DGNB certification for the deconstruction process

In order to ensure that sustainable building projects can be planned, assessed and quanti-

fied, the German Sustainable Building Council (DGNB) developed a certification system that can be used as a planning and optimisation tool in order to assist everyone involved in construction activities with the implementation of an integrated approach for safeguarding sustainability. Berlin Hyp made the decision to have both the deconstruction project and construction of the new corporate headquarters certified in accordance with the DGNB standard.

Here, a systematic approach is needed from the earliest planning stages for the deconstruction process in order to effectively manage material flows, ensure a high intrinsic value for the building structure and establish circular economy solutions at all levels. This is exactly what the DGNB system for sustainable building deconstruction is designed to do, whereby the system focuses on the following aspects:

- Ensuring transparency
- Identifying hazardous materials
- Optimising disposal and recycling activities
- Improving and expanding processes

Final testing for the new certification system began in 2021 within the framework of its initial application in actual projects.

Berlin Hyp is one of the first organisations to use the system and, according to the DGNB, the Bank's project is the third construction project in Germany to have received a DGNB deconstruction certificate (pre-certification in platinum with 81.8 per cent fulfilment of the 12 criteria). The projected degree of fulfilment of the two criteria for assessing environmental quality totalled an outstanding 100 per cent (removal/remediation of hazardous substances; material flow balance).

Removal/remediation of hazardous substances

The removal/remediation of hazardous substances is the first milestone whenever buildings are deconstructed. DGNB criterion ENV2-R ("Removal/remediation of hazardous waste") therefore addresses the potential danger to humans and the environment posed by reconstruction measures. This criterion has three protection objectives:

In order to promote the retention or reuse of existing building elements and materials, the amount of hazardous substances in construction products or construction materials that will remain in a building, or which will be used in other construction projects, is examined in

terms of user protection. To this end, Berlin Hyp took an extensive inventory of building elements and materials and used the information gained as a basis for the development of a strategy for the removal/remediation of hazardous substances. The Bank then monitored the associated activities within the framework of weekly inspections of the construction site and during on-site discussions. Finally, Berlin Hyp also commissioned an external expert to monitor the strategy (quality management).

The health and safety of all personnel at the construction site is our top priority. The Bank therefore appointed a so-called SiGeKo (occupational health and safety coordinator) to define processes, train staff, monitor compliance with building site regulations and submit reports on a regular basis.

The approach used to minimise contaminated waste seeks to reduce the burden at landfills and increase the amount of recyclable waste by ensuring the highest possible level of waste fractionation.

The latter aspect is also part of DGNB criterion ENV1-R.

Constructive demolition

Our use of the DGNB criterion ENV1-R for “Material Flow Balance” enabled us to establish transparency regarding the material flows resulting from deconstruction activities and reduce waste transport distances – and thus the environmental impact of our emissions – by reusing, recycling or disposing of materials at locations as close to the construction site as possible. These aspects played a major role in the process for selecting the demolition and disposal company, which means the Bank was able to influence the results we achieved in this area: For example, more than 85 per cent of the construction waste produced up until the end of 2021 was disposed of within a radius of approximately eight kilometres.

The final report on deconstruction activities in 2022 was not yet available as at 31 December 2022. We will therefore report on the total volume of construction waste in the Environmental Statement for 2023.

The general contractor has also assessed risks and implemented measures for continuously monitoring the current state of affairs with regard to all emissions expected to be produced during the deconstruction and construction process – e.g. noise and dust emissions. The same applies to hazardous substances, tremors and vibrations. In addition, the general contrac-

tor maintains close contact with stakeholders such as neighbours and government authorities, and all questions and queries are documented in the monitoring system and addressed on a weekly basis. An external noise monitoring service was implemented at certain times and can be commissioned again at any time if necessary.

DGNB certification for the new construction project

In 2021, Berlin Hyp received DGNB pre-certification in platinum for its planned new building as well, whereby the DGNB determined that the new building will fulfil 84.1 per cent of the 37 DGNB criteria for new office and administration buildings (Version 2018).

All proposals with environmental relevance or impact that were decided on in 2022 were first analysed using sustainability criteria as well during the approval process.

Biodiversity and water balance

Berlin Hyp is committed to environmental and species protection to an extent that goes beyond binding legal requirements. The Bank therefore plans to incorporate innovative interior and exterior lighting concepts into the planning process for the new building (in order to protect insects), as well as a programme that involves extensive placement of plants and the installation of green spaces both inside and outside the building.

Underground levels will be built, thereby ensuring that approximately 90 per cent of the building’s total ground area will be utilised. Only one open area will not be used by the building itself – a small open space near Budapester Strasse. Here, benches and seating will be set up in order to create a courtyard-like green environment. A front garden zone that can be used by employees will be set up on the eastern side of the building.

We also plan to exploit the potential the new building will offer for roof greening and thus retaining rainwater on roofs and increasing our contribution to evapotranspiration in the inner-city area. Roof greening improves the micro-climate, reduces the level of pollutants that enter the sewage system via rainwater, improves thermal insulation in both summer and winter and provides a habitat for plants, insects and animals. Plans therefore call for the creation of a biodiversity roof on the new building and the implementation of extensive greening measures in areas exposed to the sun.

All terraces will also be outfitted with plants. The plans for the associated sites call for bordered spaces with seating (“Nuggets”) in areas with solitary shrubbery, as well as trees that will be surrounded by thick shrubs and grass (“Carpets”). Criteria for plant selection include compatibility with bees and other insects, suitability as bird forage plants, and degree of invasiveness. A free-standing green trellis (approx. 50 m²) will be installed on both the neighbouring fire wall and on the equipment enclosure (approx. 150 m²).

According to Section 36a of Berlin’s Water Law, rainwater management activities should, depending on the amount of pollutants the rainwater contains, be geared towards allowing rainwater to seep into the soil below the soil depth that largely prevents pollutants from infiltrating groundwater.

The roof terrace areas are to serve as rainwater storage surfaces, and it should be possible to use them for irrigation upon further inspection.

The rainwater that will fall on the roof and terraces will be filtered through the retention spaces and excess water will be directed into an infiltration ditch on the property and then allowed to seep into the groundwater. Most of the rainwater will be retained on the roof. The complete decoupling of the property from the sewer system will reduce the run-off from the site to zero. This will lead to a tremendous improvement to the water balance at this property as compared to the previous situation. Among other things, the area around the property will no longer contribute to the overloading of the sewer system in heavy rain and will thus help reduce the danger of flooding in the city and the frequency of sewer overflows (mixing of biological substances, generally leading to an increase in the oxygen requirement, which is tantamount to oxygen depletion). All of the water that seeps into the ground will lead to new groundwater formation. In this sense, our new construction project will help significantly improve the local water supply – and the site will thus set itself apart from the rest of the city, which has a high degree of soil sealing and an unnaturally high level of run-off.

Overview of the status of key planning aspects as regards environmental and climate protection

Design: The design is both aesthetic and sustainable. The sun protection elements perform

a very distinct function with regard to daylight/shading and the view from the offices. These elements make the façade design an integral part of the passive sustainability concept. The multifunctional façade with a daylight optimisation feature and external sun protection elements prevents as much as 35 per cent of undesirable direct sunlight from reaching the interior. This reduces cooling requirements.

Technical systems: With regard to ventilation and air-conditioning systems, the decision was made to install decentralised devices (on the façade in some cases), which are to be supplemented by a central unit for interior areas far removed from the façade. The specific electrical energy requirement for decentralised ventilation and air-conditioning devices is lower than that for central units. For example, decentralised devices allow users to separately regulate the temperature in individual offices and rooms.

This also represents a comfort aspect in view of the planned concrete core temperature control setup and its systemic sluggishness.

Energy supply: Due to the new building’s inner-city location, only a few active systems for on-site electricity production can be used on the property or in the building. These geothermal and photovoltaic systems will be integrated into the peripheral façade components. Preliminary simulations and calculations show that this will make it possible to generate around 15 per cent of the building’s electricity requirement on site.

Berlin Hyp is also fully exploiting all possibilities the site offers in terms of building heating and cooling. Basic cooling of offices in the summer will be achieved with building component cooling in the ceiling slabs that separate each floor. The concrete slabs will mainly be activated at night within the framework of a regenerative and economical approach that does not require the use of mechanical cooling techniques. Concrete activation will also be used to cover building heating requirements. The planned geothermal facilities will, as things stand now, cover approx. 70 per cent of the heating and cooling requirements and thus the base load. Plans also call for a gas-fired cogeneration plant to be used to cover any peak loads, whereby hydrogen content can be mixed in here.

Materials: The quality of the planned materials in terms of their sustainability will be demonstrated with relevant certificates – e.g. natural stone from the XertifiX or Fair Stone programmes⁶ in EEA countries, aluminium windows

⁶ <https://www.fairstone.org>

and frames and panelling made from certified recycled raw materials, and wood products from FSC or PEFC certified sustainable forests.

Equipment and furniture: Some of our existing furniture, lights and other fixtures and equipment are to be transferred to the new building and embedded in a new overall concept that is aligned with the principles of “Working Environment 2024”.

Current plans call for approximately 58 parking spaces and 130 bicycle stands to be built on the underground levels along with associated facilities (changing rooms, showers and lavatories). Additional bike stands will be set up outside the building.

The new construction project is making it possible for us to achieve our environmental goal of planning a new holistic mobility concept for the company.

As planning proceeded, the underground levels were refined and expanded, whereby this was done mainly in order to incorporate additional sustainability aspects relating to the use of weighing stations in rubbish rooms and the addition of facilities for athletically active employees and cyclists. The disposal companies used in each case will only empty trash bins and containers when they are completely full (weighing system), as this will reduce CO₂ emissions on site as well as the emissions of the disposal companies’ vehicle fleets.

DGNB certification for the existing building

At the end of 2021, we also decided to seek DGNB certification for our existing building at Corneliusstrasse 7 in Berlin. The associated certification process was conducted in 2022. DGNB is planning to issue certification in platinum here as well, as the building was constructed in 2000 and various energy modernisation measures have been implemented in the structure since that time.

During the time it takes to complete the new headquarters, we have been using and continue to use the existing building at Corneliusstrasse 7 as our interim office. Since 2020, we have completely overhauled the entire building both spatially (implementation of a new working environment) and technically (energy modernisation) and have also renovated it and expanded

certain areas. We have another leased interim office at the corner of Tauentzienstrasse and Rankestrasse, whereby this building also features new working environments.

Berlin Hyp places particular emphasis on achieving goals that focus on sustainability. The sustainability of the architecture of, and systems at, the existing properties at the Berlin location represents a balance between economic, environmental and social concerns on the one hand, and, on the other hand, measures taken during construction and operation that are designed to preserve the long-term value of our buildings.

The goal here is to meet the most stringent DGNB criteria to the greatest extent possible. We also support MADASTER Germany and are taking measures to ensure compliance with the requirements of the EU taxonomy. We are doing this, for example, in order to make a contribution to climate protection and ensure a high level of user comfort and the resource-efficient utilisation of construction materials and other materials. Given Berlin Hyp’s climate protection goals, energy-efficient construction is a top priority for the Bank. We seek to ensure a high level of energy efficiency with our maintenance and repair activities and the overall operation of the buildings we own as well, while also taking into account economic and design requirements.

Environmental Protection in Our Value Chain

Berlin Hyp’s Purchasing Department and environmental management system are responsible for the parts of value creation that take place within Berlin Hyp. However, significant parts of value creation are outside the direct control of Berlin Hyp. Berlin Hyp wishes to assume responsibility in this regard and actively pursue the sustainable development of the value chain. Given that real estate has a long useful life, it is in the explicit interest of Berlin Hyp for its clients to build or acquire and operate properties whose long-term value is safeguarded by professional consideration of environmental, economic and social criteria.

Berlin Hyp’s regular business normally consists of certain real estate projects in European High Income OECD⁷ Countries⁸. These countries

⁷ The Organisation for Economic Cooperation and Development (OECD) is an international organisation that fosters prosperity, equality, opportunity and well-being for all. Source: <https://www.oecd.org/about/>

⁸ Germany, France, Benelux and Poland

maintain comparable high to very high statutory ESG standards. However, when business is conducted outside Europe, Berlin Hyp, pursuant to its published Sustainability Guideline, follows internationally recognised standards for environmental and social impacts, such as the standards defined by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), or similar standards⁹, whereby its own standards go beyond the fulfilment of these requirements. The Bank's activities as a commercial real estate financier do not have direct negative impacts on local communities – e.g. impacts due to production activities.

In its reviews, the Bank takes into account ESG factors relating to its lending process in accordance with Berlin Hyp's applicable Sustainability Guideline. Therefore, the Bank does not have programmes to evaluate these types of impacts.

Berlin Hyp requires all suppliers to comply with the requirements of the ten principles of the UN Global Compact. Berlin Hyp defines its ten top suppliers (in terms of transaction volume) as material suppliers, or key suppliers. The same applies to all suppliers with which long-term business relationships are maintained, e.g. in the form of framework agreements. The Bank reviews these key suppliers on a semi-annual basis in terms of compliance with the CSR and ESG requirements of Berlin Hyp AG (via query in the RepRisk tool). Using the RepRisk tool, all of the ten suppliers were reviewed in terms of violations, reports and anomalies with regard to sustainability. As a result, the suppliers available in the RepRisk tool have a RepRisk rating of AAA – i.e. no incidents.

One KPI per quarter – showing how many suppliers signed Annex E Sustainability Agreement – is generated and evaluated. The contents of the Sustainability Agreement include but are not limited to the commitment to comply with social and ethical standards in accordance with international standards (e.g. those defined by the UN's International Labour Organisation) – e.g. free choice of employment, freedom of association, prohibition of discrimination and compliance with standards regarding health, safety and acceptable living conditions. A signature under the agreement applies to contracts for work and services and has been mandatory since 1 January 2022. The relevant contract

types in the contract database are reviewed in order to ensure compliance with this requirement. The review undertaken shows that in the reporting period, 55 per cent of all relevant contracts in the contract database document that the requirements of Annex E have been met. The target value of 50 per cent for 2022 was therefore slightly exceeded.

In the reporting period up until December 2022, 37 questionnaires were distributed to and answered by new service providers and suppliers. Berlin Hyp did not become aware of any violation of the criteria here. The executive management team is involved in the adoption of guidelines via its governance function at the Bank.

In the contracting process for a new agreement with a cleaning service provider, the Bank also took the types of cleaning products to be used into account. As a result, only certified organic cleaning products have been used at Berlin Hyp since 2022.

Changes are also set to be made on a regular basis in the Bank's eight offices and locations in Germany and abroad. Office space leases that are set to expire will be reviewed, for example, and new office space will be found and rented. The furniture and equipment used in our offices will also be aligned with our Corporate Design. It's not just the interior quality of the space we lease that's important, however, as the quality of the buildings themselves is now playing a greater role in our decision-making processes: Wherever possible, offices and locations that need to be moved should look for new space in green buildings.

Our procurement strategy continues to focus on advertising materials. Although the effect of procured coffee cups made of sugar cane, pens made of biodegradable materials, pastilles packed in paper rather than plastic foil, and GEPA chocolate as gifts for our business partners may be minor, the sustainability of these materials and presents sends a clear message.

⁹ <https://www.berlinhyp.de/files/media/corporate/ueber-uns/nachhaltigkeit/berichterstattung-und-richtlinien/2022-12-09-bhyp-br-nachhaltigkeitsrichtlinie-englisch.pdf>

4) Environmental Performance and Key Figures

Berlin headquarters			
Building	Budapester Strasse 1 (construction site)	Corneliusstrasse 7	Tauentzienstrasse 13
Total area	2,720 m ² (special civil engineering with groundwater-level reduction)	2,040 m ²	–*
of which built upon	0 m ² (construction site)	2,025 m ²	–*
Office space (pursuant to GIF – Gesellschaft für Immobilienforschung e.V. (Society for Real Estate Research))	0 m ²	4,038 m ²	2,380 m ²
Number of floors	0	Ground floor + 4 upper floors + 1 basement level	1st floor, 2nd floor (parts), 3rd floor, basement (parts)
Technical equipment			
Heating	./.	District heating, standard	
Water supply	./.	Tap water	
Electrical power supply	./.	Green electricity from wind power and hydro-power; solar electricity from our own solar modules	
Emergency power supply	./.	For security systems and emergency lighting	
Air conditioning	./.	Cooling and ventilation systems	
Company cars (as at 30 January 2023)	61, six of which are outside of Germany		

* temporarily rented space

Key indicators for Berlin Hyp in accordance with EMAS requirements

(Basis: Number of employees)

	2019	2020	2021	2022
Energy efficiency				
Electricity (in kWh / employee Berlin)	4.41	4.08	3.13	2.94
District heat (in kWh / employee Berlin)	3.64	3.20	2.20	1.72
Mobility: Vehicle fleet (in kWh / employee total)	1.22	0.73	0.81	1.35
Percentage of renewable energy				
Electricity	98.96	98.47	95.26	94.83
District heat	5.60	9.80	4.60	4.60
Material efficiency: Paper (in kg / employee Berlin)	10.87	7.46	5.97	5.22
Relative water consumption (in m ³ / employee Berlin)	10.19	8.15	2.92	3.18
Relative waste: Accumulation of mixed municipal solid waste (in kg / employee Berlin)	130.64	135.58	67.21	63.20
Relative waste: Accumulation of hazardous waste (in kg / employee Berlin)	1.19	2.50	2.41	0.95
Greenhouse gas emissions of CO ₂ equivalents (in t / employee total)				
Market based	2.06	1.03	0.74	1.22
Location based	4.20	2.65	1.96	2.35
Land use in terms of its impact on biodiversity				
Total area Budapester Strasse 1	2,720 m ²	2,720 m ²	0 m ² (demolition)	2,720 m ²
of which sealed	2,526 m ² (93 %)	2,526 m ² (93 %)	0 m ² (0 %)	2,720 m ² (100 %)
of which near-natural**	206 m ² (8 %)	206 m ² (8 %)	0 m ² (0 %)	0 m ² (0 %)***
Total area Corneliusstrasse 7	2,040 m ²	2,040 m ²	2,040 m ²	2,040 m ²
of which sealed	2,025 m ² (99 %)	2,025 m ² (99 %)	2,025 m ² (99 %)	2,025 m ² (99 %)
of which near-natural	1,157 m ² (57 %)	1,157 m ² (57 %)	1,157 m ² (57 %)	1,157 m ² (57 %)

In addition to the reference value “employees” (2022: 616; 556 in Berlin), we have also been using the key figures of “per million euros of mortgage loan portfolio” and “per million euros of green financing” since 2018 in order to ensure that our core business activities are more extensively taken into account in our environmental performance analyses.

The total amount of emissions produced by Berlin Hyp and the total number of employees (employees at headquarters and employees at all other locations and offices) are used as a denominator for the key figure of “Greenhouse gas emissions of CO₂ equivalents, as this figure is influenced throughout the entire company (company travel included in all scopes occurs at all locations).

Key indicators for Berlin Hyp in accordance with EMAS requirements

(Basis: One million euros of mortgage loan volume, as at 31/12/2022)

	2019	2020	2021	2022
Energy efficiency				
Electricity (in kWh/m)	114.34	95.01	65.80	59.52
District heat (in kWh/m)	94.40	74.58	46.26	34.75
Mobility: Vehicle fleet (in kWh/m)	34.26	18.31	18.89	30.18
Percentage of renewable energy				
Electricity	99	98	95.26	94.83
District heat	5.60	9.80	4.60	4.60
Material efficiency: Paper (in kg/m)	0.28	0.17	0.13	0.11
Relative water consumption (in m³/m)	0.26	0.19	0.06	0.06
Relative waste: Accumulation of mixed municipal solid waste (in kg/m)	3.39	3.16	1.41	1.28
Relative waste: Accumulation of hazardous waste (in kg/m)	0.03	0.06	0.05	0.02
Greenhouse gas emissions of CO₂ equivalents (in t/m)				
Market based	0.057	0.026	0.017	0.027
Location based	0.118	0.066	0.046	0.053
Land use in terms of its impact on biodiversity				
Total area Budapester Strasse 1	2,720 m ²	2,720 m ²	0 m ² (demolition)	2,720 m ²
of which sealed	2,526 m ² (93%)	2,526 m ² (93%)	0 m ² (0%)	2,720 m ² (100%)
of which near-natural**	206 m ² (8%)	206 m ² (8%)	0 m ² (0%)	0 m ² (0%)***
Total area Corneliusstrasse 7	2,040 m ²	2,040 m ²	2,040 m ²	2,040 m ²
of which sealed	2,025 m ² (99%)	2,025 m ² (99%)	2,025 m ² (99%)	2,025 m ² (99%)
of which near-natural	1,157 m ² (57%)	1,157 m ² (57%)	1,157 m ² (57%)	1,157 m ² (57%)

Key indicators for Berlin Hyp in accordance with EMAS requirements

(Basis: One million euros of green building financing, as at 31/12/2022)

	2019	2020	2021	2022
Energy efficiency				
Electricity (in kWh/m)	522.46	381.24	236.20	192.87
District heat (in kWh/m)	431.35	299.29	166.07	112.60
Mobility: Vehicle fleet (in kWh/m)	156.56	73.48	67.81	97.80
Percentage of renewable energy				
Electricity	99	98.47	95.26	94.83
District heat	5.60	9.80	4.60	4.60
Material efficiency: Paper (in kg/m)	1.29	0.70	0.45	0.34
Relative water consumption (in m³/m)	1.21	0.76	0.22	0.21
Relative waste: Accumulation of mixed municipal solid waste (in kg/m)	15.49	12.68	5.08	4.14
Relative waste: Accumulation of hazardous waste (in kg/m)	0.14	0.23	0.18	0.06
Greenhouse gas emissions of CO₂ equivalents (in t/m)				
Market based	0.26	0.10	0.06	0.09
Location based	0.54	0.27	0.17	0.17
Land use in terms of its impact on biodiversity				
Total area Budapester Strasse 1	2,720 m ²	2,720 m ²	0 m ² (demolition)	2,720 m ²
of which sealed	2,526 m ² (93%)	2,526 m ² (93%)	0 m ² (0%)	2,720 m ² (100%)
of which near-natural**	206 m ² (8%)	206 m ² (8%)	0 m ² (0%)	0 m ² (0%)***
Total area Corneliusstrasse 7	2,040 m ²	2,040 m ²	2,040 m ²	2,040 m ²
of which sealed	2,025 m ² (99%)	2,025 m ² (99%)	2,025 m ² (99%)	2,025 m ² (99%)
of which near-natural	1,157 m ² (57%)	1,157 m ² (57%)	1,157 m ² (57%)	1,157 m ² (57%)

** The property is almost completely built over. All rainwater will remain on the property, which has an area of 2,720 m², whereby downpipes will be used to direct the water to an on-site infiltration ditch, where it will seep into the groundwater. The roof and terrace areas will differ in terms of vegetation and the degree of intensity and extensiveness of green roof spaces, and will also be divided into a biodiversity roof, mosaic (crazy) paving areas, bordered spaces with seating and plants ("Nuggets"), and gravel strips. A large part of the roof and terrace areas will be used for water retention, whereby the drainage speed (similar to a sponge effect) will be lowered. We thus also view the crazy paving areas as not being sealed, for example, because rainwater will also seep under these and into the groundwater. The biotope area factor of 33 per cent here, on the other hand, is an indicator of the degree of greening (with different weighting factors depending on the type of greening in question).

*** After completion of the new building: 2,720 m² (100%)

Product Ecology – Facts and Figures

Berlin Hyp was able to place a total of four green benchmark bonds with a volume of € 1.80 billion on the market during the reporting period. More specifically, these issues involved two Pfandbriefe and two senior preferred bonds, with one bond denominated in euros and one in Swiss francs in each case. Berlin Hyp also celebrated two bond issue premieres in the Pfandbrief segment, as the Bank issued its first green CHF Pfandbrief and its first green Jumbo Pfandbrief (transaction volume of at least € 1.0 billion). With 17 outstanding benchmark issues, Berlin Hyp remains the most active issuer of green bonds in Europe in the commercial banking segment.

Through the financing of sustainable, climate-friendly properties (green buildings) and their refinancing via Green Bonds, Berlin Hyp has actively supported the dynamic development of the market for sustainable bonds since 2015. In 2015, the Bank made its debut with the world's first Green Bond. Now, the volume of outstanding Green Bonds amounts to € 7.3 billion. Furthermore, in spring of 2021, the Bank issued a Sustainability-Linked Bond, and in spring of 2022 a Social Bond. As at 31 December 2022, the total volume of all of Berlin Hyp's outstanding ESG bonds amounted to € 8.6 billion, or 33 per cent of the total capital market funding mix. Plans call for ESG refinancing instruments to account for 40 per cent of the capital market funding mix by 2025.

The activities on the liabilities side in the area of sustainable finance go hand in hand with the continuous development and implementation of the sustainability targets on the assets side. Berlin Hyp also plans to increase the share of loans accounted for by the financing of green buildings to one-third by 2025. As at the reporting date, the share of green buildings in the Bank's portfolio was 30.2 per cent (€ 8.9 billion). For the first time ever, two per cent of the Green Finance portfolio now meets all EU taxonomy criteria. A total of 386 green buildings were being financed as at 31 December 2022.

Management is informed on a quarterly basis about the development of the loan portfolio and the share of green financing, thereby allowing it to take appropriate management measures.

The target figure of 26 per cent had been exceeded by one percentage point as at 31 December 2021.

Plans call for green building financing to account for one-third of the Bank's total loan portfolio by 2025.

Structural limits for non-sustainable exposures were introduced in 2021 as additional controlling elements. In 2021, the Bank also began using a KPI Dashboard for the overall management and controlling of ESG activities. This dashboard is also now a part of the quarterly ESG Management Report.

Standardisation of Assessment Criteria – Sustainability Assessments

The EU Taxonomy Regulation includes technical criteria for assessing the climate performance of companies with regard to measures to protect the climate (climate change mitigation – Taxonomy environmental target 1) and adapt to climate change (climate change adaptation – Taxonomy Environmental Target 2).

In accordance with the EU Taxonomy Regulation, institutions subject to the Non-Financial Reporting Directive (NFRD¹⁰), including Berlin Hyp, were instructed that in 2022 they were to begin reporting the percentage of their activities that were taxonomy-eligible with regard to Environmental Targets 1 and 2 in their non-financial statement for the previous financial year (in this case the 2021 financial year, with the reporting date of 31 December 2021).

Berlin Hyp is fulfilling this obligation. The key performance indicators in the table were calculated based on the available data from the Bank's IT systems and as such are part of the taxonomy disclosure requirements.

¹⁰ <https://www.csr-berichtspflicht.de/csr-d>

Excerpt from the table of reportable KPIs (in accordance with Article 10 (2) Delegated Act on Article 8 of the EU Taxonomy Regulation), for Berlin Hyp:

KPI 1	Description of the key performance indicator	Share out of adjusted total assets*	Share out of total assets
1a	Share of taxonomy-eligible assets out of total assets	17%*	13%

*For more information on the calculation method, see the 2022 Berlin Hyp Annual Report

Maximum Transparency as Standard Procedure

Berlin Hyp has committed itself to reporting on the development of ESG bonds in accordance with the formal requirements of the Green, Social and Sustainability-Linked Bond Principles. Reporting on all (now three) types of ESG bonds that Berlin Hyp issues is consolidated in the Bank's ESG bond reporting system, which encompasses reporting on the existing portfolio and the new lending portfolio, as well as impact reporting. The Bank also has the ecological added value of its bonds reviewed and confirmed within the framework of a second-party opinion.

Berlin Hyp's latest impact report, which was prepared in cooperation with Drees & Sommer, presents the results and methodology for estimating the amount of CO₂ emissions saved by the financed green buildings. The total CO₂ emissions resulting from the portfolio amount to 115,000 tCO₂, while the share resulting from Berlin Hyp's initial participation in the associated financing activities totals 63,888 tCO₂.

Mathematically, and depending on the benchmark chosen, every one million euros of nominal value invested in a Berlin Hyp Green Bond saves between 6.53 and 13.57 t of CO₂ per year. The CO₂ savings per million euros invested were therefore slightly lower than in the previous year (Energy Saving Ordinance – EnEV– benchmark). This was due, among other things, to the increase of several conversion factors for electricity.

Annual savings of 524 GWh were achieved compared to the EnEV reference values (previous year: 540 GWh). Thermal energy accounted for 267 GWh of these savings. The average thermal energy requirement of all buildings is 56 kWh/m²/a, which is 48 per cent below the average weighted EnEV reference value of 108 kWh/m²/a. With regard to electricity consumption, annual savings of 257 GWh were achieved. The average electricity requirement amounts to 35 kWh/m²/a, which is 58 per cent below the average weighted EnEV reference value of 85 kWh/m²/a. The CO₂ reduction resulting from the decrease in energy consumption amounts to 120,000 t per year.

tCO ₂ reduction / €m / year	Fully assigned to the category of "Berlin Hyp financing activity"	Partially assigned to the category of "Initial participation of Berlin Hyp in the financing activity"
Comparison with current EnEV reference values (heat and electricity)	13.57 (2021: 26.60)	7.55 (2021: 7.86)
Comparison with the average energy reference value (Germany)	11.35	6.53

The latest reporting and reverification (external plausibility check) by ISS ESG are published at <https://www.berlinhyp.de/en/investors/green-bonds>.

In order to be able to achieve the climate targets set, there also needs to be complete transparency about the actual CO₂ emissions of the entire financing portfolio so that the target path can be effectively managed based on that information.

Up until now, the energy efficiency of buildings financed in the banking industry has usually been estimated. However, Berlin Hyp has set itself the goal of achieving complete transparency with regard to CO₂ emissions by 2023. Such transparency will not only include the calculation of the CO₂ emissions of the entire portfolio; it will also establish the foundation for a corresponding expansion of non-financial reporting at the Bank. The transparency rate stood at 65 per cent at the end of 2022.

As part of its reporting on Sustainability-Linked Bonds, the Bank discloses information on the CO₂ emissions of financed buildings. As at 31 December 2022, buildings financed by BerlinHyp were responsible for approximately 1,062,255 tonnes of CO₂ emissions per year.

The CO₂ intensity here was 32.1 kg CO₂/m² per year, whereby the Bank's interim target is to reduce this to 21.3 kg CO₂/m² per year by 2030. The Bank has already succeeded in reducing the CO₂ intensity of the loan portfolio by a total of 9.72 per cent since 2020.

Operational Ecology – Facts and Figures

At its outset, the COVID-19 pandemic heavily influenced the environmental impacts resulting from our business operations, but this influence decreased significantly in 2022, by which time

nearly all restrictions had been lifted. For better comparability, we also provide the figures from 2019 below.

Paper

Paper consumption in kg	2019	2020	2021	2022
Copy paper	5,018	3,050	2,484	2,238
Printed materials	172	783	693	471
Other (stationery, envelopes, etc.)	952	317	40	193

BerlinHyp has defined a number of objectives in order to reduce raw material consumption and/or improve material efficiency, in particular with regard to paper consumption. These objectives include the continuous reduction of printing jobs, the use of recycled paper and increasing digitalisation. A partial switch-over of the supply of print subscriptions to digital formats saves approx. 300 kg of paper per year. The complete switch to recycled paper for printouts and copies was completed in summer of 2022. Additional measures such as the complete digital presentation of products for savings banks and the work-

flow-based organisation of Board of Management meetings support the Bank's efforts to work in a resource-efficient manner.

Paper is the relevant material used in the course of BerlinHyp's business operations. The figures for paper consumption are based on the purchased and/or used quantities. In the 2022 reporting year, 98 per cent of the paper procured for printed materials was certified paper. Since summer of 2022, we have exclusively used recycled paper with a Blue Angel certificate.

Waste

Waste generation in kg	2019	2020	2021	2022
Mixed municipal solid waste	73,810	75,380	36,226	35,141
Waste paper / cardboard	13,760	21,316	15,036	17,402
Waste paper / secure document bin	31,160	38,975	14,105	7,595
Bulky waste	12,330	11,490	0	0
Fluorescent tubes	0	270	105	110
Waste oils	70	30	0	0
Coolants for disposal	0	0	0	0
Other hazardous waste	604	0	600	0
Discarded computer equipment	860	1,090	595	420
Light packaging	n,a	306	1,524	1,515
Total waste	132,594	148,856	68,191	64,526

All waste is disposed of on a regular basis by certified specialised waste disposal companies. Disposal companies commissioned by Berlin Hyp must provide evidence to the Bank that they have been certified as specialised waste disposal companies.

Berlin Hyp has been procuring climate-neutral toner cartridges since we replaced our printers 2017. In this connection, we collect data on the number of cartridges used and can thus calculate our compensated emissions based on the certificate issued by the supplier: In 2022, this figure amounted to 720 kg of CO₂ equivalents.

Unlike conventional toner set-ups, in which the entire cartridge needs to be replaced, we only refill the toner in the products we use.

We also collect data on the construction waste produced as a result of the deconstruction process for our building at Budapester Strasse.

We will publish information on the total amount with a list of the fractions and associated transports together with the life cycle assessment in the next Environmental Statement.

Water

Water consumption in m ³	2019	2020	2021	2022
Drinking water	5,755	4,529	1,572	1,768

We receive our drinking water supply from the public network provided by the regional utilities companies.

As a service company, Berlin Hyp uses water mostly for everyday needs – i.e. kitchen and bathroom purposes. The Bank's sites are not located in regions with water shortages. In the 2022 reporting year, Berlin Hyp implemented measures to reduce water consumption, e.g. by retrofitting lavatories at headquarters with water stop buttons. The EU taxonomy specifications regarding the flow rate in mountings were taken into account in the planning of the new construction project B-One.

Water consumption was reduced by more than 50 per cent in 2021. This is attributable to the deconstruction of the building on Budapester Strasse. The slight increase in water consumption in 2022 was mainly due to the return of more employees to their offices after the end of the COVID-19 pandemic.

Construction activities led to the consumption of an additional 1,728 cubic metres of water for sanitary facilities and occupational safety measures, including dust capturing during the deconstruction process, as well as cleaning measures and general construction-water requirements.

Energy consumption

Energy consumption in MWh	2019	2020	2021	2022
Electricity consumption	2,490	2,267	1,686	1,637
District heat for space heating, ventilation and air-conditioning technology and hot water	2,055	1,780	1,185	956
Diesel fuel for emergency power generators	8	9	2	3

Since 2017, all of the Bank's German locations have been using green electricity exclusively. Since 2020, we have also been taking into account as estimates in our calculations the electricity consumed by employees working from home.

In addition, we have been reporting on the electricity consumption of our external data centre since 2019. The electricity supplied to the data-centre service provider is generated exclusively from renewable sources. Compliance with this renewable-energy requirement is monitored at regular intervals by the independent TÜV SÜD inspection agency. The data centre consumed 375,096 kWh of electricity in 2022.

Our heating energy requirements are currently met by Berlin's district heating system. With its procurement of sustainable district heating, Berlin Hyp is taking the next logical step in the transition to renewable energy sources in Germany. The new district heating contract from 1 January 2022 calls for delivery of heat from renewable sources (biomass, waste heat, electricity from renewable sources).

The share of renewable energy in the integrated heat supply network currently amounts to 0.5 per cent for biogas and 4.1 per cent for heat generation from waste heat. We achieved our goal of switching over to more climate-friendly sources of heat in 2022.

The insulation work that began in 2021 for the building on Corneliusstrasse was completed in 2022.

Diesel consumption for the test runs for all emergency power generators is subject to

annual fluctuations that depend on the number of test runs required (e.g. for major emergency tests, transformer maintenance operations and mandatory test runs).

In accordance with the requirements of the Ordinance on Securing the Energy Supply through Rapid Impact Measures (EnSikuMaV), all companies are to lower the temperatures in their buildings.

Here, the Sparkassen-Finanzgruppe applies the relevant regulations for public buildings, which require that such buildings maintain a temperature of 19 degrees Celsius, with the exception of kitchenettes/break rooms, conference rooms and sanitary facilities and changing rooms.

Our approach here is based on policies formulated by LBBW and DSGVO – Deutscher Sparkassen- und Giroverband e.V. (German Savings Bank Association), and we have therefore also reduced our room temperature as described above to 19 degrees. This approach is also in line with our efforts to become a more sustainable company, meet all ESG requirements and fulfil our obligations to society in general.

The approach has also had a clear positive effect, as our heating energy requirement for the period between September and December 2022 was more than 190,000 kWh lower than the figure for the same period in 2021.

Mobility

Category	Unit	2019	2020	2021	2022 (60%)	2022 (100%)
Business travel (total)	km	2,877,658	1,075,129	934,264	1,796,058	2,314,413
Business travel (specific)	km/employee	4,725	1,804	1,560	2,916	3,757
Train (share)	in %	15.83	8.94	10.05	23.77	18.45
Company car (share)	in %	40.53	73.55	79.08	43.29	55.99
Air travel (share)	in %	43.64	17.51	10.87	32.94	25.56
of which less than 500 km	in %	31.00	36.50	37.80	13.25	13.25
of which more than 500 km	in %	69.00	63.50	62.20	86.75	86.75

All of our mobility data are still influenced by the pandemic.

After the pandemic-related restrictions were lifted, the global travel sector experienced an increase in demand for both business and private travel services. We noticed this at Berlin Hyp as well.

Unlike the case in previous years, we are now reporting all kilometres driven with the company car fleet – both privately and for business.

To facilitate comparability, we have also included in the 2022 data the 60 per cent figure for kilometres driven.

Not all business travel can be replaced using digital formats. For example, panel discussions, trade fairs, special seminars, certain sales events and important meetings with customers all require personal contact and physical presence.

With this in mind, we invited customers to attend “ESG Breakfasts” at all our offices in 2022, for example. During these events, we discussed forward-looking ESG-related real estate and banking industry topics in a relaxed atmosphere.

We also organised an internal roadshow for all Berlin Hyp locations in order to provide employees with information on issues relating to the EU taxonomy.

Company car fleet

- The conversion of the fleet to plug-in drive systems was completed in summer of 2021. The company car fleet for the Warsaw office was the only one that could not be switched over, whereby this was due to infrastructure issues. At approximately 85,000 litres, fuel consumption was lower in 2022 (2021: 93,600 litres).
- Because the electricity needed to recharge vehicles can be obtained flexibly throughout Germany, it is not possible to make any reliable statements regarding the origin of the electricity used to charge our vehicles. We therefore assume a charging electricity mix that corresponds to the average electricity mix in Germany. The emissions resulting from such electricity of unknown quality amounted in 2022 to approximately 20 tonnes of CO₂. Approximately 80,000 km were driven in an all-electric driving mode in 2022. (2021: 31,000 km).
- We also provide users of company cars with charging stations at their homes wherever this is possible, thereby enabling them to use our hybrid models more effectively.
- The loss of the charging stations in the underground car park in the building on Budapester Strasse that was torn down was offset by renting new charging stations in the vicinity. The building at Tauentzienstrasse has charging facilities for electric scooters and electric bikes.

We continue to work on the further development of our internal Car Policy and the optimisation of our mobility solutions. The full conversion of the fleet from combustion engines to hybrid drive systems resulted to only a very limited extent in the desired positive impact on our emissions in the transport sector that the automotive industry had claimed this would lead to. Our goals here are more ambitious, but given the supply bottlenecks for electric vehicles and the changed contractual conditions for our entire charging infrastructure, we had to continue with

the further development of our fleet strategy in 2022 and will not be able to achieve the associated environmental target until a later date. This also applies to our goal of making persons authorised to use company cars more aware of how to effectively and economically operate vehicles equipped with a hybrid drive system.

Air travel

- A total of 959 flights were taken in 2022, as compared to 196 in the previous year. Flights with a distance of more than 500 kilometres accounted for 87 per cent of the 591,613 total kilometres flown in 2022 (previous year: 102,681 kilometres).
- The increased share of flights with a distance of more than 500 km can be attributed to the process for teaming up with LBBW in Stuttgart (and the associated necessary activities) and the changes made to the business travel policy, which stipulates that air travel is only permitted for journeys with travel times of more than four-and-a-half hours.
- After a total of 196 (322) flights were taken in the previous year, 959 (196) flights were then taken in 2022. Flights with a distance of more than 500 kilometres accounted for 87 per cent of the 591,613 total kilometres flown in 2022 (2019: 1,255,773 kilometres). The associated CO₂ emissions were approximately 30 tonnes lower.

Train travel

- Within the framework of the bahn.business programme, Berlin Hyp participates in CO₂-free rail travel. All employees who travel by rail as business customers travel with 100 per cent green electricity, as reported by Deutsche Bahn. A total of 25 colleagues have a company railcard (Bahncard) that entitles them to reduced fares, and 27 employees use a company ticket for local public transport.
- Total rail travel amounted to 426,913 kilometres in 2022, which is more than 300,000 kilometres more than the figure recorded in 2021. This positive development was due to the adjustments made to our business travel policy and the fact that more employees are now choosing to travel by train.

Our mail service provider, PIN AG, is certified in accordance with the DIN ISO 14001 standard. The transport of our business mail is climate neutral. The approximately 16,500 letters, parcels, etc. we sent in 2022 resulted in emissions

of 0.39 tonnes of greenhouse gases. Due to emissions offsetting resulting from our use of PIN AG mail services, we forgo the precise disclosure of the number of kilometres associated with these postal transports, which the service provider cannot provide us with in any case. The same applies to the offset transport of our business mail by DHL and UPS.

Several years ago, we focused on developing the IT systems at our partner OnSite ImmoAgent (a digital real estate inspection service). More than 700 viewings and inspections without any travel have been conducted/arranged per year via the platform over the last few years.

Footprint: Greenhouse Gas Emissions at Berlin Hyp

Our total greenhouse gas emissions are calculated on the basis of the three categories (Scopes 1–3) used in the Greenhouse Gas Protocol (GHG):

- Scope 1: All direct greenhouse emissions at Berlin Hyp due mainly to the use of company cars and the consumption of coolant.
- Scope 2: Indirect greenhouse gas emissions – caused by the use of heat energy and the consumption of electricity.

Since 2015, the GHG Protocol has required a dual structure of “market-based accounting” and “location-based accounting” with regard to Scope 2. Our environmental reporting discloses the figures resulting from both approaches and thus enables a comparison between the provider and product-specific figure (“market”) and the “location” figure that is based on activity data (such as energy use) and the average emission factors for a certain geographical region.

- Scope 3: All other indirect greenhouse gas emissions, taking into account the emissions generated within the supply chain (energy consumption, water consumption, business travel by train and plane, paper consumption, waste).

The indicator system of the Association for Environmental Management and Sustainability in Financial Institutions (VfU) was once again used for the presentation of key figures and the calculation of greenhouse gas emissions caused by Berlin Hyp.

The greenhouse gas emissions are shown as CO₂ equivalents, as all greenhouse gases for which the Intergovernmental Panel on Climate Change (IPCC) has defined a Global Warming Potential are taken into account. We do not report here on the CH₄, N₂O, HFKW, PFC, NF₃ and SF₆ emissions that are mentioned in the EMAS Regulation, as these cannot be measured.

We used Version 14/12/2020 – Version 1.4. of the 2018 update to the VfU table for our previous emissions calculations. In the updated version of the VfU table that has now been published (Version 1/3/2022 – Version 1.0 2022), the provider made adjustments to greenhouse gas conversion factors in line with Version 3.7.1 of the ecoinvent database, and also made extensive changes and additions. This is why we conducted the emission calculation for 2021 with both versions of the tool. As a result, we use the standard of Version 14/12/2020 and report the resulting figures in order to facilitate comparisons and logically depict changes.

Scopes: Location based

CO ₂ in t	2019	2020	2021	2022
Scope 1 – direct greenhouse gas emissions	207	132	132	227
Scope 2 – indirect greenhouse gas emissions	1,661	1,167	826	787
Scope 3 – supply chain greenhouse gas emissions	691	280	217	432
Footprint: Location-based total	2,559	1,579	1,175	1,446

Scopes: Market based

CO ₂ in t	2019	2020	2021	2022
Scope 1 – direct greenhouse gas emissions	207	132	132	227
Scope 2 – indirect greenhouse gas emissions	354	204	95	90
Scope 3 – supply chain greenhouse gas emissions	691	280	217	432
Footprint: Market-based total	1,252	616	444	749

Total greenhouse gas emissions have declined since the first Environmental Statement was published in 2015, whereby this development is mainly attributable to our use of renewable energy and was also significantly influenced in 2020 and 2021 by the restrictions imposed as a result of the pandemic, and by the fact that the building on Budapester Strasse was no longer in use. Business travel increased by a total of approximately 890,000 kilometres in 2022, whereby it should be pointed out here that unlike the case in previous years, we are now reporting all kilometres driven with the company car fleet – both privately and for business.

Compensation led to a further decrease of our footprint in 2022 – by a total of roughly 1,110 kg of greenhouse gas emissions (use of climate-compensated toner cartridges: 720 kg; participation in the offsetting of emissions relating to postal transport (PIN AG): 390 kg).

Please note the following: The consumption data recorded in Berlin for the categories of paper, water, waste, heat, and coolant losses are automatically extrapolated for the entire Bank in order to determine the footprint in the VFU tool. Electricity consumption at all German locations has been recorded since 2018; an extrapolation is only still included for locations abroad. As a result of this much more accurate calculation, we can now see the positive effect that procurement of green electricity for all German locations has had on emissions caused by electricity consumption. Travel data are collected throughout the Bank and are also fully incorporated into the calculation, which means the footprint result attained using the scopes clearly reflects Berlin Hyp's total emissions.

5) Environmental Targets and Environmental Programme

The further development of the environmental programme is a dynamic process that aims at continuously improving our environmental performance in order to avoid negative environmental impacts.

During the reporting period, four new measures were added to our environmental programme.

We document both completed measures and newly adopted measures within the framework of our target-achievement assessment process.

Important environmental aspect for Berlin Hyp (key area as defined by EMAS)

Important environmental aspect for Berlin Hyp (key area as defined by EMAS)	Environmental target	Individual target	Target type	Measure	Deadline	Status
Waste	Reduction of waste and associated emissions and environmental impacts	Project for sustainable paper towels	Operational	Paper towels are collected in lavatories and picked up by Tork for recycling	31/12/2023	Not yet launched
Material efficiency (raw material consumption)	Reduction of raw material consumption and/or improvement of material efficiency	Approx. 50 % decrease in CO ₂ emissions caused by paper in the supply chain	Operational	Examination of the use of recycled paper for business transactions	Extended: 31/12/2022	Completed
Material utilisation / consumption / Resources	Conservation of water resources; maintenance of biodiversity	Switch to environmentally friendly cleaning products	Operational	Discussion of environmental protection proposals with the cleaning service provider (currently under way) and incorporation into the B-One planning process	Extended: 30/06/2023	Launched
	Reduction of paper consumption	Digital design for the product range	Operational	Completely digital presentation of the Immo product range for German savings banks via the ImmoDigital platform (first stage with ImmoAval completed in October 2020; additional products will be added gradually)	Extended: 31/05/2023	Launched
Biodiversity	Contribute to biodiversity and promote biodiversity in cities	Transformation of the roof on building C7 into a biodiversity roof	Operational	Planting of flowers, grass and herbs; placement of insect containers and tree trunks	Extended: 31/12/2022	Completed
Emissions	Reduction of emissions caused by business travel	Continuation of the provisions relating to company cars	Strategic	Development of the "Fleet Concept 2023" and further development of the Car Policy	Extended: 31/07/2023	Launched
		Increase employee awareness of how important it is to make effective use of alternative drive systems in vehicles as a means of lowering emissions	Operational	Training for employees who drive company cars	Extended: 31/12/2023	Not yet launched
		Establishment of continuity and effectiveness with regard to the use of hybrid vehicles by ensuring a supply of electricity for charging at the Berlin location	Operational	Research and analysis of additional alternative charging options	30/06/2022	Completed

Important environmental aspect for Berlin Hyp (key area as defined by EMAS)	Environmental target	Individual target	Target type	Measure	Deadline	Status	
Emissions	Reduction of emissions caused by business travel	Improve and influence the structure and use of the fleet in a targeted manner in order to reduce emissions from business travel	Operational	Determination of average fleet consumption (in g CO ₂ /km) and examination of ways to incorporate and utilise this figure in the fleet management approach and the Car Policy	Extended: 31/12/2023	Not yet launched	
		Increase employee awareness of the impact of their travel behaviour and habits	Strategic	Exploration of ways to use the Travel Portal to make employees more aware of the impact of their travel behaviour and habits (such as display of CO ₂ emission values when options are presented in the Business Travel Portal/inclusion of hotels with environmental programmes/environmental management systems in the Bank's database)	Extended: 31/12/2022	Launched	
			Strategic	Adjustment of the travel policy: avoiding domestic flights	30/09/2022	Completed	
	Reduction of emissions caused by commuter travel	Identification of possibilities for changing the way we address the issue of employee mobility	Strategic	Examination of options for the development of a mobility concept for Berlin Hyp	Extended: 31/12/2023	Launched	
	Reduction of emissions in connection with personal transport	Low emission employee mobility	Operational	Introduction of JobRad (job bike programme)	30/06/2024	Launched	
	Reduction of emissions associated with the removal and transport of waste containers; improvements to the waste management system	Removal and transport of waste containers depending on how full the containers are – rather than on a regularly scheduled basis, as was previously the case	Operational	Installation of sensors in data protection waste containers	31/12/2022	Completed	
	Reduction of environmental impacts in the supply chain that are caused by procurement activities	Systematic supplier management	Increase employee awareness of the importance of sustainability in procurement activities	Operational	Test “packages” with sustainable samples sent to staff who place large order volumes	Extended: 31/12/2022	No longer pursued
			Systematic supplier management	Strategic	Efforts to obtain certification of procurement activities from BME (Association for Supply Chain Management, Procurement and Logistics)	Extended: 31/12/2024	Launched
			Consideration of sustainability aspects in office conversion work and office relocations in future	Operational	Selection of equipment/construction materials with EPDs; selection of locations on the basis of sustainability criteria	From 01/01/2021	Launched

Important environmental aspect for Berlin Hyp (key area as defined by EMAS)	Environmental target	Individual target	Target type	Measure	Deadline	Status
Emissions	Reduction of CO ₂ emissions caused by buildings	Promotion of green buildings	Strategic	Obtain sustainability certification for the new office building	30/09/2025	Launched
		Support for the achievement of EU climate targets; participation in international efforts to define an “energy-efficient mortgage”	Strategic	Participation of Berlin Hyp on an international scale in the Energy Efficient Mortgages Action Plan (EeMAP) and in the Energy Efficiency Data Protocol and Portal (EeDAPP) initiative (currently in the pilot phase)	Indefinite period	Launched
			Strategic	Development of a climate strategy and operational ecology approach	Extended: 31/12/2023	Launched
			Strategic	Increase of the green building share in the portfolio to 1/3 by 2025	31/12/2025	Launched
			Strategic	Development of a new product for promoting the transformation of lending processes	Extended: 30/06/2022	Completed
			Strategic	Achievement of full transparency with regard to emissions from the entire portfolio by 2023	31/12/2023	Launched
			Strategic	Further development of and process optimisation for the Green Bond concept with consideration of the requirements associated with the EU taxonomy	31/12/2022	Completed
Energy efficiency (energy consumption)	Reduction of energy consumption and the associated emissions	Reduction of thermal energy consumption	Operational	Reduction of room temperature by one degree K during the winter (from October or starting at an outside temperature of 15 degrees)	31/12/2022	Completed
			Operational	Creation of instructions for room control units for the rented offices in the building at Tauentzienstrasse 13	31/05/2022	Completed
		Reduction of electrical energy consumption	Operational	Installation of electricity meters for all major consumers (two central ventilation and air-conditioning units, cooling unit, the ventilation system for the ground floor) and installation of heat and cooling measurement devices	31/12/2022	Completed
			Operational	Cold water in lavatory sinks	31/12/2023	Launched
			Operational	Installation of server rack housing in order to optimise cooling capacity	30/06/2023	Launched
		Implementation of facility optimisation measures in order to reduce energy losses	Operational	Insulation measures	Extended: 31/12/2022	Completed

6) Contacts



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7) Declaration of Validity

The next Environmental Statement will be submitted for validation in May 2024. The appointed environmental verification company will be:

GUT Zertifizierungsgesellschaft für
Managementsysteme mbH
Eichenstrasse 3 b
12435 Berlin
Germany

8) Validation Confirmation

Berlin Hyp AG

EMAS Declaration of Validity

Declaration of Validity



The undersigned Environmental Verifier hereby confirms to have verified that the locations Corneliusstrasse 7, 10787 Berlin; Budapester Strasse 1, 10787 Berlin; Tauentzienstrasse 13, 10787 Berlin, as specified in this Environmental Statement of Berlin Hyp AG (with the register number DE-107-00151) fulfil all requirements of Regulation (EC) No. 1221/2009 of the European Parliament and of the Council of 25 November 2009, as amended on 28 August 2017 and 19 December 2018, on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).

The signature on this statement confirms that

- the verification and validation were executed in full compliance with the requirements of Regulation (EC) No. 1221/2009, as amended by Regulation (EU) 2017/1505 and (EU) 2018/2026 of the Commission,
- the result of the verification and validation confirms that there is no proof of any non-compliance with applicable environmental regulations and
- the data and information contained in the Environmental Statement provide a reliable, credible and true portrayal of all activities within the organisation.

This statement is not equal to an EMAS registration. An EMAS registration can only be issued by a competent body in accordance with Regulation (EC) No. 1221/2009. This statement may not be used as an independent basis for providing information to the general public.

Berlin, 10 August 2023



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