

# Sustainability Guideline

## **Foreword**

This document is intended to provide an overview of all sustainability guidelines that apply to business activities at Berlin Hyp. This new Sustainability Guideline consolidates and replaces the “Sustainability in Portfolio A” and “Sustainability in Real Estate Financing” guidelines. Conformance with the provisions of this Sustainability Guideline is monitored internally on the basis of Bank policies, which take all relevant legal requirements into account, including those relating to compliance. All content is aligned with LBBW and a review is performed annually.

# Contents

## Sustainability Guideline

### 1 Our understanding of sustainability

- 1.1 ESG governance
- 1.2 Code of Conduct
  - 1.2.1 OECD guidelines
  - 1.2.2 Insider-Trading
  - 1.2.3 Tax evasion, including cum-ex and cum-cum transactions
  - 1.2.4 Money laundering
  - 1.2.5 UN Global Compact
- 1.3 Data security
- 1.4 Reporting and identification of material sustainability issues

### 2 Standards and guiding principles for business activities

- 2.1 Commercial real estate financing
  - 2.1.1 Objectives in the context of commercial real estate financing
  - 2.1.2 Principles of the German Property Federation (ZIA)
  - 2.1.3 Review process for real estate financing

- 2.1.3.1 ESG risk assessment
- 2.1.3.2 Minimum social safeguards
- 2.2 Own investments (Portfolio A)
- 2.3 Investments
- 2.4 Sustainable procurement

### 3 Sector-specific exclusions

- 3.1 Protecting biodiversity
  - 3.1.1 Biodiversity
  - 3.1.2 Forestry
  - 3.1.3 Agriculture and animal welfare
- 3.2 Energy
  - 3.2.1 Coal-fired power plants
  - 3.2.2 Nuclear power
  - 3.2.3 Petroleum and natural gas
- 3.3 Mining
- 3.4 Armaments
- 3.5 Pornography
- 3.6 Addictive substances
- 3.7 Embryo research

Imprint

## **1 Our understanding of sustainability**

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 acronym 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.

Financial institutions have a key role to play in the transformation of business and industry. More specifically, such institutions are the entities that finance the investments that companies and governments need to make, and they also integrate ESG-related opportunities and risks into their evaluations of investments and financing plans. Berlin Hyp has expanded its sustainability agenda for the further development of the Bank and its portfolio, and in 2021 the Bank presented to the public its ambitious ESG vision, which is based on the sustainability agenda. The individual components of the ESG vision are divided into the four dimensions of sustainable business operations, a sustainable business portfolio, ESG risk management and transparency as well as ESG capabilities.

The United Nations Sustainable Development Goals (SDGs) are an important guideline for us. We became a signatory to the Principles for Responsible Banking in 2022. We are committed to the Paris Agreement and thus also to the Climate Paths of the Federal Republic of Germany. In order to meet our responsibilities in this regard and achieve the EU's goal of climate neutrality by 2050 at the latest, we are channelling capital into sustainable investments, increasing the transparency of our loan portfolio and taking ESG risks more extensively into account in our business activities. This approach is meant to minimise our direct and indirect negative impact on the environment and society, eliminate this impact where possible, and maximise our direct and indirect positive environmental and social impact.

### **1.1 ESG governance**

The responsibility for sustainability aspects is clearly defined and assigned in all areas of Berlin Hyp. At Berlin Hyp, sustainability has been firmly established throughout its divisions for years. This is ensured by the interaction between the Board of Management, the ESG Corporate Functions, the Management Committee, the ESG Board and the Sustainable Finance Commission (SFC).

The achievement of targets is monitored by the ESG Corporate Functions, which have offices at both the Risk Control and Corporate Strategy divisions, and by the ESG Board of Berlin Hyp, which is chaired by the Bank's CEO. The ESG Board serves as the central platform for information and knowledge sharing on overall ESG topics and issues. In close cooperation with and under the responsibility of the Corporate Strategy and Risk Control divisions, corresponding corporate functions accompany, coordinate and monitor the review and implementation of individual measures. There is also a high degree of coordination with various other divisions and departments.

In addition, Berlin Hyp has a Sustainable Finance Commission (SFC) that aims at integrating sustainability aspects into Berlin Hyp's financing activities and decisions. The SFC is an important component for enabling the further development and monitoring of strategies and guidelines to ensure the Bank can achieve its ambitions regarding sustainability while also taking financial targets into account. The SFC is comprised of divisions involved in the financing/refinancing value chain. More specifically, these are the Credit, Portfolio Management, Treasury, Sales and Valuation divisions. Risk Control and Corporate Strategy, in their role as central functions, are also part of and manage the SFC. The Core Process Strategy and Data Management divisions play a supporting role. The SFC meets at least once per quarter.

## 1.2 Code of Conduct

In our efforts to conduct sustainable business, Berlin Hyp does not rely solely on compliance with applicable laws and external regulations. Rather, we have also made various voluntary commitments and implemented internal guidelines that give our employees clear guidance on how to act. These rules and provisions that are contained in our Code of Conduct offer support for addressing legal and ethical questions that also arise within the framework of sustainability and ESG. The Code of Conduct forms the foundation for the corporate culture at Berlin Hyp and defines the principles and values that guide the behaviour of all employees at the Bank. Other guidelines and our overarching Code of Conduct can be viewed at our website at [Guidelines - Berlin Hyp AG](#).

### 1.2.1 OECD guidelines

Berlin Hyp's business activities take place exclusively in certain High Income OECD Countries in Europe. OECD countries are countries that have high ESG standards and consistently monitor compliance with these standards. When financing projects in these countries, Berlin Hyp therefore takes into account the specific ESG requirements in the given country.

Should Berlin Hyp expand its existing business model at some point and offer financing for projects outside the High Income OECD Countries, separate proof will have to be provided to Berlin Hyp regarding the secure management of ESG project risks in accordance with the requirements and processes specified in banking industry standards such as the Equator Principles and IFC Performance Standards.

### 1.2.2 Insider trading

Insider trading and other types of market manipulation are prohibited and are criminal offences under German law. Berlin Hyp does not conduct insider trading, does not recommend or instigate such activity and does not illegally disclose insider information.

### 1.2.3 Tax evasion, cum-ex and cum-cum transactions

Berlin Hyp does not participate in business activities that are designed to enable tax evasion and/or insufficient or non-payment of taxes, government fees, etc. in Germany or in any other country. The same applies to any activity that attempts to cover up and/or enable or encourage such actions in an illicit manner.

### 1.2.4 Money laundering

Berlin Hyp consistently takes into account all German and international financial and economic embargo regulations and regulations pertaining to money laundering, as well as other relevant German and international regulations.

### 1.2.5 UN Global Compact

Since 2015, Berlin Hyp has remained committed to the ten principles of the UN Global Compact out of a sense of conviction and has consistently aligned its activities with these principles and the 17 SDGs, where by SDGs 1 (No Poverty), 10 (Reduced Inequalities), 11 (Sustainable Cities and Communities) and 13 (Climate Action) are particularly important for Berlin Hyp in the context of real estate financing. By becoming a signatory, we are seeking to actively promote and shape the vision of an inclusive and sustainable economy for the benefit of all people, communities and markets today and in future.

### 1.3 Data security

Berlin Hyp collects, processes and uses the personal data of employees, customers and business partners. They are used in general business operations and allow customers to receive advice and support according to their needs.

These personal data may only be handled with care, in compliance with the law and in accordance with unambiguous rules in order to demonstrate that the Bank is worthy of the trust placed in it by its customers. Internal instructions (e.g. Data Protection Policy), the keeping of records of processing activities, the monitoring of processes (e.g. conducting a data protection audit) and the use of processes to guarantee the rights of data subjects (e.g. processing a data protection request for information) ensure that the General Data Protection Regulation and other data protection provisions are complied with at Berlin Hyp.

The Data Protection Officer reports yearly, or on an ad-hoc basis whenever necessary, to the entire Board of Management with an update on data protection within the company.

The Data Protection Officer regularly reviews processing and procedures in a risk-focused manner in order to ensure that the individuals and departments responsible for processing data are properly monitoring all

relevant activities in terms of their compliance with applicable provisions and regulations. As part of data management activities here, and in order to ensure accountability, the Data Protection Officer, in addition to managing risk-focused audits, reviews the modelled processes at the Bank (including data processing operations) at least once every three years in a structured manner and with the help of specialised tools. In addition to such monitoring and reviews by the Data Protection Officer, external reviews and audits may also be conducted, for example by data protection supervisory authorities, banking supervisory authorities, clients and the Bank's Internal Audit division.

According to the Bank's Data Protection Policy, data processing may only be performed under clearly defined conditions and in line with statutory provisions. The IT systems used at the Bank must comply with the principles of privacy by design and privacy by default.

The divisions and organisational units responsible for IT systems must take all relevant requirements into account in their procurement activities and with regard to any systems they develop themselves. Information may only be disclosed to third parties in connection with data processing contracts and agreements that meet all legal requirements, or if there is a legal basis for such disclosure (e.g. a legal requirement or if consent is given by the data subject).

The period of time in which personal data may be lawfully processed for certain purposes comes to an end once the processing is no longer necessary. Internal instructions stipulate that once that point in time is reached, the data in question must be erased, unless this cannot be done due to legal or contractual retention periods in effect.

Berlin Hyp operates an information security management system (ISMS) based on the ISO 27001 standard, which fulfils the regulatory requirements contained in MaRiskAT 7.2 in conjunction with BAIT. The validity of the ISMS extends across all divisions, units, processes and required technical, organisational, infrastructural and personal resources, as well as to all external individuals and companies that perform work for Berlin Hyp on the basis of a contractual relationship.

Berlin Hyp is committed to the continuous maintenance and improvement of the ISMS in order to be able to consistently incorporate new technologies, regulatory changes and changes to interest-group policies into the system.

Berlin Hyp has set up an information security organisation and appointed an Information Security Officer (ISO) with a direct reporting/information line to the Chief Risk Officer. Experts are also involved, in particular in the IT department (operational information security) and in the Facility Management department (physical security).

Berlin Hyp's ISM guideline adopted by the entire Board of Management establishes the basic objectives and framework conditions for Berlin Hyp's information security and is both a demand and an obligation for all (external) employees to act in accordance with the law and responsibly handle any and all information in need of protection.

On this basis and taking into account applicable regulatory and Group-wide requirements, the institution-specific Security Control Framework is an integral part of the Bank's written regulations and addresses security requirements for all relevant organisational units. Regular security reviews identify information (security) and IT risks, which are then assessed and addressed with corresponding measures. The ISO regularly makes all employees aware of various information security issues.

The ISO reports on the status of information security to the entire Board of Management on an annual basis, and to the Chief Risk Officer on a quarterly basis, or on an event-driven ad hoc basis if security-relevant issues arise.



#### 1.4 Reporting and identification of material sustainability issues

Companies should identify the sustainability requirements of their stakeholders at the earliest possible time in order to be able to address such requirements in an adequate and timely manner.

Berlin Hyp therefore makes use of its established formats for discussions with various stakeholder groups in society as a means of also exchanging information with them on sustainability issues. Such stakeholder groups include customers, employees, political decision makers, government agencies and authorities, the public, the media, environmental associations and social organisations, suppliers, unions, sustainability agencies, property owners, business partners and competitors, and investors as well as capital market representatives.

Berlin Hyp started reporting on sustainability in 2013 on a voluntary basis and has expanded its reporting continually and in accordance with the standards of the Global Reporting Initiative (GRI), EMAS, the UN Global Compact, the Principles for Responsible Banking (PRB) and the Task Force on Climate-Related Financial Disclosures (TCFD). Since 2017, Berlin Hyp has been subject to reporting requirements in accordance with the German Commercial Code and the CSR Directive Implementation Act, and the Bank has also been publishing a non-financial statement in its Annual Report since 2017.

Starting in the 2024 reporting year, Berlin Hyp will report on sustainability in accordance with the Corporate Sustainability Reporting Directive (CSRD), whereby the application of the European Sustainability Reporting Standards (ESRS) is mandatory here. A materiality analysis is a key component of reporting and required by the CSRD. During this analysis, Berlin Hyp evaluates sustainability issues in terms of their significance regarding both effect and financial perspectives (so-called “double materiality”) in order to determine which issues are most important for the company. Dialogue with internal and external interest groups is also a component of the materiality analysis, whether in the form of employee surveys or interviews with staff from associations, initiatives and rating agencies that represent the interests of various stakeholders. The bank identifies relevant stakeholders at least once a year in accordance with the provisions of the CSRD. A materiality analysis on the basis of the CSRD was conducted for the first time in 2023.

## 2 Standards and guiding principles for business activities

### 2.1 Commercial real estate financing

#### 2.1.1 Objectives in the context of commercial real estate financing

Berlin Hyp specialises in large-volume real estate financing for professional investors and housing companies. We finance, among other things, office and commercial buildings and logistics, retail, management and residential real estate, both as individual properties and entire portfolios. Regardless of the type of property in question,

it is possible to secure a “Green Loan” for it, provided certain energy-efficiency criteria or taxonomy criteria are met.

The business activities that Berlin Hyp conducts in the real estate industry make an important contribution to economic prosperity and social well-being. The infrastructure the industry develops, builds and maintains creates fundamental value for the economy and serves as the basis for commercial and retail activity and the development of the housing market. Given the importance of the real estate industry and the long periods of time that real estate properties are used, the additional consideration of sustainability aspects in real estate financing can be decisive in terms of, among

other things, safeguarding the intrinsic value of real estate projects over the long term. The following points offer examples of how sustainability impacts real estate and property values:

- A sustainable building addresses its occupants’ requirements as regards comfort, functionality, efficiency and economy. Here, social criteria and measures that make it easy to sell or rent a property due to its attractiveness should be promoted throughout a property’s entire life cycle.
- Good accessibility to quality transport connections also increases a property’s attractiveness and third-party usability
- In addition, efforts to minimise a building’s life-cycle costs serve to promote the use of durable, long-lasting and non-toxic building materials.
- A high degree of energy efficiency in a building decreases emissions and is therefore good for the environment. It also lowers users’ operating costs and helps ensure value stability by enabling a relatively high net rent amount.

In view of all of these factors, Berlin Hyp has a special interest in having its customers build/purchase and operate properties whose intrinsic value is also safeguarded by professional consideration of environmental, economic and social criteria.

### 2.1.2 Principles of the German Property Federation (ZIA)

Berlin Hyp's business activities are conducted in accordance with the principles published in 2015 defined by the German Property Federation (ZIA) for the "Financing" sector cluster.

These principles are as follows:

1. We give special consideration in our loan decision-making processes to matters relating to future viability and sustainable resource allocation with regard to the property in question.
2. We support efforts to ensure that sustainability aspects are taken into account in property and real estate valuation processes.
3. The use of sustainable building methods, in particular those that serve to improve energy efficiency and the life-cycle assessment, is an important parameter that is addressed in our financing discussions.
4. We assist our customers with the implementation of sustainable plans for their existing properties and new constructions.
5. Green leases are especially taken into consideration in our processes for making loan decisions and valuations, as well as in our cooperation with customers.
6. Principles relating to the sustainable construction, management, and operation of properties play an important role in ongoing training and qualification measures for employees involved in real estate financing, whereby this applies particularly to property appraisers.

With regard to the practical application of such principles, it should be noted that Berlin Hyp does not conduct business with private customers but instead serves commercial investors and housing construction companies that possess a high degree of real estate industry knowledge and also have extensive experience in the sector. This means that the majority of financing requests that we receive come from customers who have already taken the aspects described in the principles into account in their own planning.

When making real estate financing decisions, Berlin Hyp also determines whether the customer in question has sufficient knowledge of, and experience with, legal requirements relating to planning, construction, environmental protection and nature conservation. The ability of a customer to manage such requirements and ensure compliance with all legal and approval-related provisions is considered to be of crucial importance for the long-term success of both the customer in question and the business relationship between that customer and Berlin Hyp. Regarding real estate valuation, Berlin Hyp takes into account standardised energy efficiency certificates and classifications issued by generally recognised certification systems that assess the sustainability of real estate properties, provided these can have a positive effect on the long-term yield and value of the property or transaction in question. The same applies to special measures implemented to improve the sustainability performance of a property – e.g. the use of green leases.

Ongoing training and qualification measures for Berlin Hyp employees involved in real estate valuation and financing are conducted at leading training and continuing education facilities in the real estate industry, whereby the programmes in question take relevant sustainability aspects into account.

Berlin Hyp employees themselves also regularly contribute their experience and expertise to numerous real estate industry organisations. Among other things, this also ensures that Berlin Hyp always remains up to date on the latest industry standards, including those that focus on sustainability.

### 2.1.3 Review process for real estate financing

#### 2.1.3.1 ESG risk assessment

Internal reviews and guidelines are in place that are meant to enable early identification of sustainability risks. Every loan approval procedure includes an assessment of risks relating to ESG factors in connection with the borrower. Berlin Hyp developed a harmonised ESG checklist within the framework of its merger with LBBW. This ESG checklist queries climate risks (physical and transition risks) as well as social and governance criteria that are based on the minimum social safeguards of the EU taxonomy.<sup>1</sup>

If an increase in ESG risks is identified through the use of the ESG checklist, the ESG Corporate Function will be incorporated into the process and asked for its opinion. Increased ESG risks that can be identified using the ESG checklist have been clearly defined via internal processes. Further information on the internal review process for sustainable financing can be found in Berlin Hyp's [Sustainable Finance Framework](#).

In addition, as part of its real estate financing activities, Berlin Hyp applies its defined exclusion criteria whenever new loans are to be issued. Most of these sector-specific exclusions relate to the financed property in question. Compliance with the exclusion criteria is ensured via a 1 The new ESG checklist for new lending and extensions was introduced on 1 November 2023. definition of the type of use for the given property. Exclusions that relate to a borrower are indicated as such. The sector-specific exclusions indicated above are listed in Section 3.

#### 2.1.3.2 Minimum social safeguards

The minimum social safeguards are part of the EU Taxonomy Regulation and are based on the recommendations made by the Technical Expert Group (TEG) in its report published in March 2020.

By the request of the European Parliament, these recommendations were adopted in later phases in order to ensure that companies which conduct environmentally sustainable activities and have been designated as taxonomy-aligned meet certain minimum corporate governance standards and do not violate any social norms, including those relating to human rights and labour law, as defined in Article 18 of the EU Taxonomy Regulation.

Because Berlin Hyp provides incentives for eligible Green Loans, including taxonomy loans, by offering more favourable conditions as compared to other loans, a preliminary analysis of the eligibility criteria must be carried out before pricing. Borrowers not only need to commit to taking the minimum social safeguards into account; they also have to present suitable proof of this to Berlin Hyp. Sales then determines whether the eligibility criteria have been fully met.

## 2.2 Own investments (Portfolio A)

In accordance with the framework parameters defined in the risk strategy, the Treasury division at Berlin Hyp only invests in debt instruments. Before any security is purchased, the potential investment will be examined by the Treasury division to ensure it meets the associated sustainability criteria for the Bank's own investments (Portfolio A). This process also includes the preventive measure of absolutely excluding Portfolio A investments in certain sectors, industries and business areas, whereby the Treasury

division uses the RepRisk screening tool to identify possible cases of non-compliance with the sustainability criteria.

In addition, and in the form of the ESG Corporate Function, the Corporate Strategy division conducts an annual review (using the RepRisk tool and all pre-registered criteria) to ensure that all investments here are in conformance with relevant Berlin Hyp policies. If proof is presented with critical information from the sustainability monitoring system in Portfolio A, all transactions with issuers that have been designated a "Red" warning level are to be concluded within four weeks as part of the escalation process.

## 2.3 Investments

Berlin Hyp is also actively involved in the digital real estate ecosystem and works with innovative companies and start-ups from the PropTech realm to test new business models and additional products and services for future financing offers. As an active strategic investor, Berlin Hyp participates in selected companies while also entering into strategic partnerships.

Any company that Berlin Hyp is considering investing in is examined on the basis of the Bank's Code of Conduct in order to determine whether that company's operations are in conformance with our Sustainability Agreement. If this is not the case, a Sustainability Agreement must be concluded with the company in question.

## 2.4 Sustainable procurement

Berlin Hyp suppliers and service providers also need to act in accordance with the same ecological, social and ethical values and principles that Berlin Hyp adheres to. Our Environmental Policy (for further information, please see [Berlin Hyp Environmental Policy](#)) also stipulates that Berlin Hyp is to take active measures to avoid unnecessary environmental impacts. Wherever this is not possible, measures are taken to reduce such impacts to the greatest extent possible. Both of the above-mentioned stipulations also apply to procurement measures. This means that all procured products should, to the extent this is possible and/or part of the nature of the given product, be made from sustainable materials and substances and the Bank should be provided with evidence of this if it requests such proof. Further information is available in the internal Guideline on Sustainable Procurement.

All material suppliers and service providers must sign a Sustainability Agreement. Berlin Hyp defines its ten top suppliers and service providers (in terms of transaction volume) as material suppliers / service providers. The same applies to all suppliers and service providers with which long-term business relationships are maintained, e.g. in the form of framework agreements. The conclusion of each Sustainability Agreement is documented in Berlin Hyp's contract database. A sustainability questionnaire is also sent to suppliers and service providers along with the supplier / service provider master data sheet.

Completed sustainability questionnaires are analysed and evaluated by Procurement Management. The statements made are checked randomly by means of web research. A joint assessment of the results is performed with staff from the environmental management system on a quarterly basis.

The scores achieved are distributed across three ranges: Green: non-critical; Yellow: room for improvement; Red: not acceptable. Because the selection of suppliers and service providers is conducted in a decentralised manner at Berlin Hyp, whenever a Yellow or Red designation is issued, the specialist department in question will be notified and provided with information on the questions or measures that will need to be asked/stipulated/taken in the next discussion, or will be informed as to whether the supplier or service provider can be replaced.

Berlin Hyp's procurement team can review service providers and suppliers through random audits or questionnaires sent out on a case-by-case basis. This may be done at any time and without notice in accordance with applicable laws. The team will then check whether basic sustainability structures are in place and principles are being observed, as well as whether the responses given in the questionnaire are accurate.

## 3 Sector-specific exclusions

### 3.1 Protecting biodiversity

#### 3.1.1 Biodiversity

Biodiversity-protection criteria are an important consideration for Berlin Hyp when selecting financing projects. New real estate financing therefore may not be approved for projects on greenfield land that has a recognised high value in terms of biodiversity as cited in the Ramsar List of Wetlands of International Importance, the UNESCO World Heritage List within the framework of the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage or the UNESCO Biosphere Reserves List within the framework of the Man and the Biosphere (MAB) UNESCO programme.

In addition, investments in the following industries / business activities are completely excluded for Portfolio A and our strategic investments at all times:

- Trade in wild animals and products made from wild animals that are protected under the Washington Convention (CITES), as well as activities that impact endangered, threatened, highly threatened and/or protected species. In addition, no bonds are purchased from countries that have not ratified the Convention on Biological Diversity (CDP).

#### 3.1.2 Forestry

In terms of the financing of new properties, areas are excluded that have been identified in connection with illegal logging, which in turn can endanger biodiversity. In addition, we expect new borrowers to show certification in accordance with the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC) or a similar standard. In the case of corresponding projects located in countries that have been classified as so-called Designated Countries within the framework of the Equator Principles, compliance with relevant national legislation is considered sufficient proof of compliance with adequate environmental and social standards.

#### 3.1.3 Agriculture and animal welfare

The financing of properties whose intended use involves agriculture and the production of agricultural products is completely excluded. This in turn means that the production of pesticides, palm oil, soy and cotton is excluded from any financing from the outset, and that in order to ensure animal welfare, measures are implemented that generally exclude large-scale livestock farming and the production of furs. In addition, the following exclusions have been implemented for our Portfolio A:

- The production of pesticides
- The production of genetically modified organisms
- The production of palm oil (except if the company that operates the palm oil plantation is itself, or via its parent company, a member of the Roundtable on Responsible Palm Oil (RSPO))
- The production of soy (except if the company that operates the soy plantation is itself, or via its parent company, a member of the Round Table on Responsible Soy Association (RTRS))
- The production of furs
- The production of cotton (unless activities are aligned with initiatives such as the Better Cotton Initiative)

The aforementioned exclusions and requirements for the various industries / business activities also apply to strategic investments. Berlin Hyp also rejects any form of speculation with agricultural commodities.

### 3.2 Energy

Berlin Hyp seeks to promote a climate-friendly and resource-efficient energy sector and therefore procures and supports green electricity only. For Berlin Hyp, green electricity means electricity generated using photovoltaic systems, wind power, hydroelectric power, biomass and biogas combustion, and geothermal systems.

#### 3.2.1 Coal-fired power plants

The financing of properties whose intended use, in whole or in part, involves energy generation with a coal-fired power plant is excluded. This industry / business activity is also excluded for investments in our Portfolio A and for strategic investments.

#### 3.2.2 Nuclear power

The financing of properties whose intended use, in whole or in part, involves energy generation with a nuclear power plant is excluded. This industry / business activity is also excluded for investments in our Portfolio A and for strategic investments.

#### 3.2.3 Petroleum and natural gas

The financing of properties whose intended use, in whole or in part, involves the extraction of petroleum or natural gas is excluded. The financing of petroleum / natural gas extraction is also excluded for investments in our Portfolio A and for our strategic investments. This exclusion also serves to counteract controversial petroleum industry practices, such as drilling in the Amazon rainforest, drilling for oil or natural gas in deep sea regions and the Arctic region, fracking, etc.



### 3.3 Mining

The financing of properties whose intended use, in whole or in part, involves the mining of brown coal, bituminous coal or uranium is excluded. The financing of brown coal, bituminous coal or uranium mining and production is also excluded for investments in our Portfolio A and for our strategic investments. The same applies to gold mining, unless it can be demonstrated that the company seeking financing employs a system that ensures environmental compatibility and the prevention of human rights violations.

### 3.4 Armaments

The financing of properties whose intended use, in whole or in part, involves the production of armaments is excluded. With regard to both its Portfolio A and its strategic investments, Berlin Hyp also does not purchase securities issued by companies that are involved in the trade in, or the production, transport, storage or repair of, the following armaments:

- Nuclear weapons within the meaning of the Treaty on the Non-Proliferation of Nuclear Weapons from 22 April 1970
- Biological weapons within the meaning of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction from 26 March 1975
- Chemical weapons within the meaning of the Convention on the

Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction from 29 April 1997

- Anti-personnel mines within the meaning of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction from 18 September 1997
- Cluster bombs and cluster munitions within the meaning of the Convention on Cluster Munitions from 30 May 2008
- Weapons that are especially designed to cause excessive injury in general and injuries among civilian populations within the meaning of the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects, from 10 April 1981
- Depleted uranium munitions

Berlin Hyp also has an exclusion list for companies that are involved in the production of antipersonnel mines and/or cluster munitions and/or systems for laying cluster munitions / mines that are prohibited by international conventions. No business relationships may be established with such counterparties and no contracts or agreements may be concluded with them.

### 3.5 Pornography

The financing of properties whose intended use, in whole or in part, involves the production of pornography or the facilitation of prostitution is excluded. This industry/business activity is also excluded for investments in Portfolio A and for strategic investments.

### 3.6 Addictive substances

The financing of properties whose intended use, in whole or in part, involves the production of tobacco or alcohol products is excluded. This industry/business activity is also excluded for investments in Portfolio A and for strategic investments.

### 3.7 Embryo research

The financing of properties whose intended use, in whole or in part, involves activities relating to embryo research is excluded. This industry/business activity is also excluded for investments in Portfolio A and for strategic investments.

## **Imprint**

### **Published by**

Berlin Hyp AG  
Sustainability Management  
Dirk Bartsch  
Corneliusstraße 7  
10787 Berlin  
[dirk.bartsch@berlinhyp.de](mailto:dirk.bartsch@berlinhyp.de)