

Berlin Hyp's environmental policy

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.

The goal of achieving carbon neutrality by 2050 at the latest is firmly embedded in our [ESG vision](#). We ourselves will begin compensating for any remaining unavoidable emissions in our business operations by 2025 at the latest.

Furthermore, we, as Berlin Hyp, are committed to doing our best to make sure that our overall loan portfolio does not exceed the 1.5-degree pathway defined by CRREM, which specifies publicly accessible and science-based CO₂ limits for real estate and ensures compliance with the Paris Agreement. We make this commitment with the proviso that the decarbonisation of electricity and heating networks and the use of new energy sources occur as anticipated. The German government's roadmap for the decarbonisation of electricity and heating networks forms the basis for these assumptions.¹

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 relating to environmental protection²,
- the ten principles of the Zentraler Immobilien Ausschuss e.V. (ZIA – German Property Federation) industry code regarding sustainability³,
- the four principles of sustainability formulated by the Deutscher Sparkassen-und Giroverband e.V.⁴,
- the “Commitment by German savings banks to climate-friendly and sustainable business practices”⁵,
- six of the EU's environmental targets defined in Regulation 2020/852 (EU Taxonomy Regulation)⁶.

¹ Electricity: Renewable Energy Sources Act 2023, Section 1: “The share of gross electricity consumption accounted for by electricity generated from renewable energy sources in the territory of the Federal Republic of Germany, including the German Exclusive Economic Zone (federal territory), is to be increased to a minimum of 80 per cent by 2030.” Heating: District heating – Federal Ministry for Economic Affairs and Climate Action, ambition of climate neutrality by 2045: “Climate-neutral heating networks by 2045” (<https://www.bmwk.de/Redaktion/DE/Schlaglichterder-Wirtschaftspolitik/2022/02/04-im-fokus-gruenewaerme.html>)

² 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. <http://www.globalcompact.de/de/ueber-uns/dgcn-ungc.php>

³ <http://www.zia-deutschland.de/fileadmin/Redaktion/Positionen/PDF/ZIA-Nachhaltigkeitsleitfaden.pdf>

⁴ In particular, Principle 3 “3. We are committed to conducting our business in a resource efficient manner.” “http://bericht-gesellschaft.dsgv.de/DE/Wie_wir_berichten.php

⁵ <https://www.sparkasse.de/aktuelles/selbstverpflichtung-nachhaltigkeit.html>

⁶ https://ec.europa.eu/sustainable-finance-taxonomy/activities/sector_en.htm?reference=7

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.
- 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 to energy and water consumption, emissions and waste, and, especially, 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](#), [Sustainability-Linked Bond Framework and Social Bond Framework](#)).
- 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 Head of ESG, Dirk Bartsch (dirk.bartsch@berlinhyp.de).

Chair of the Board of Management of Berlin Hyp AG

Berlin, May 2024



Sascha Klaus