

#nachhaltighandeln

Sustainability brochure



Contents

Foreword	03
Sustainability of the IBB Group in figures	04
Our path to 'Impact Bank Berlin'	06
Sustainability strategy	08
Our contribution to the SDGs	10
Sustainable reporting	12
Organisational anchoring	13
Sustainability guidelines	14
Zero footprint	15
Our plans for the future	16

Foreword

Ladies and gentlemen,

Sustainability is a topic which, like no other, has shaped the past two decades. The growing scarcity of resources, accelerated climate change and ecological catastrophes all call for change. After all, we know that the only way to preserve our livelihoods is to make protecting the environment and climate our primary goal. Sustainable living is one of the greatest challenges of our time. For Europe. For Germany. For Berlin. And, of course, for the IBB Group too!

In 2015, 195 countries agreed on clear goals for climate protection in the Paris Climate Agreement. By 2050, all participating countries should have reduced their carbon emissions and become as climate neutral as possible. The increase in global temperature is to be limited to 1.5 degrees. Berlin Senate's is also pursuing the goal of developing Berlin into a climate-neutral city by 2045, with virtually no climate-damaging carbon emissions any more. In order to achieve this ambitious goal, the pace of climate protection must be stepped up significantly.

The decision of the Federal Constitutional Court of 29 April 2021 to declare the Federal Government's Climate Protection Act of December 2019 to be unconstitutional because it is too unambitious and thus too much of a burden for future generations clearly shows that both politicians and companies have an obligation to act in a more sustainable manner and to set and implement clear goals and targets as soon as possible. This is where promotional banks and the funds they offer can support the transformation into a sustainable society.

Much has been done in recent years throughout the IBB Group in terms of sustainability. We have, for instance, increasingly reduced our ecological footprint by cutting our paper consumption year after year. However, we can achieve the biggest impact through the way we design our support programmes to promote business development, housing and real estate as well as the labour market. It is our task to help provide affordable housing for the growing population and create high-quality and future-proof jobs. In the future, it will become even more important to consider sustainability in our promotional business if we are to master the sometimes controversial social, economic and ecological challenges that lie ahead. We will therefore continue to push our ambitions for sustainable development in Berlin at IBB.

Our sustainability brochure shows you how the IBB Group has forged ahead with sustainability in recent years. It also outlines how we have continued to develop our bank and how we have increasingly anchored the topic of sustainability in the Group. Sustainability is a top priority for the IBB Group! We will therefore continue to accompany Berlin on its ways towards becoming a climate-neutral city.



Dr. Hinrich Holm
Chairman of the Board



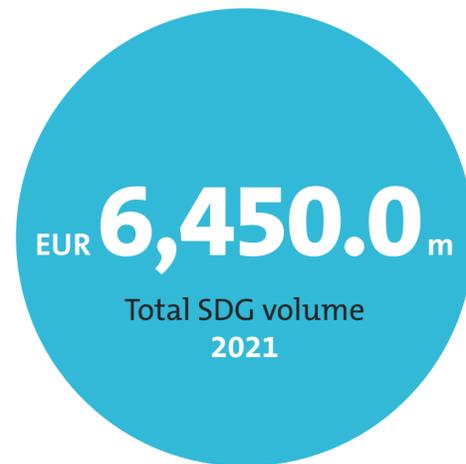
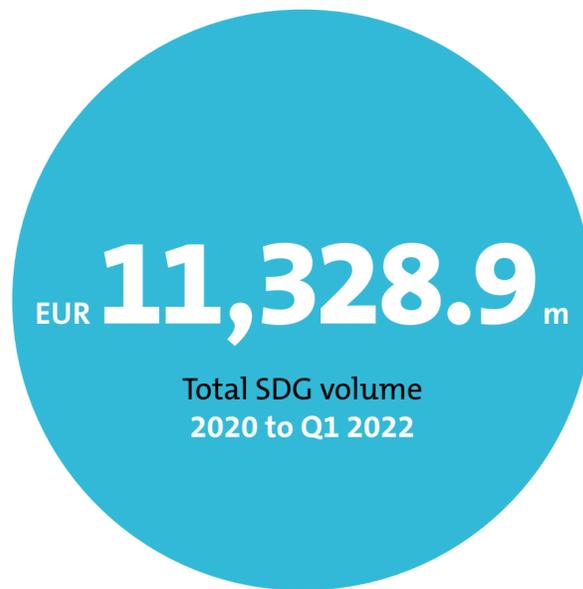
Angeliki Krisilion
Member of the Board



Sustainability of the IBB Group in figures

SDG mapping

SDG



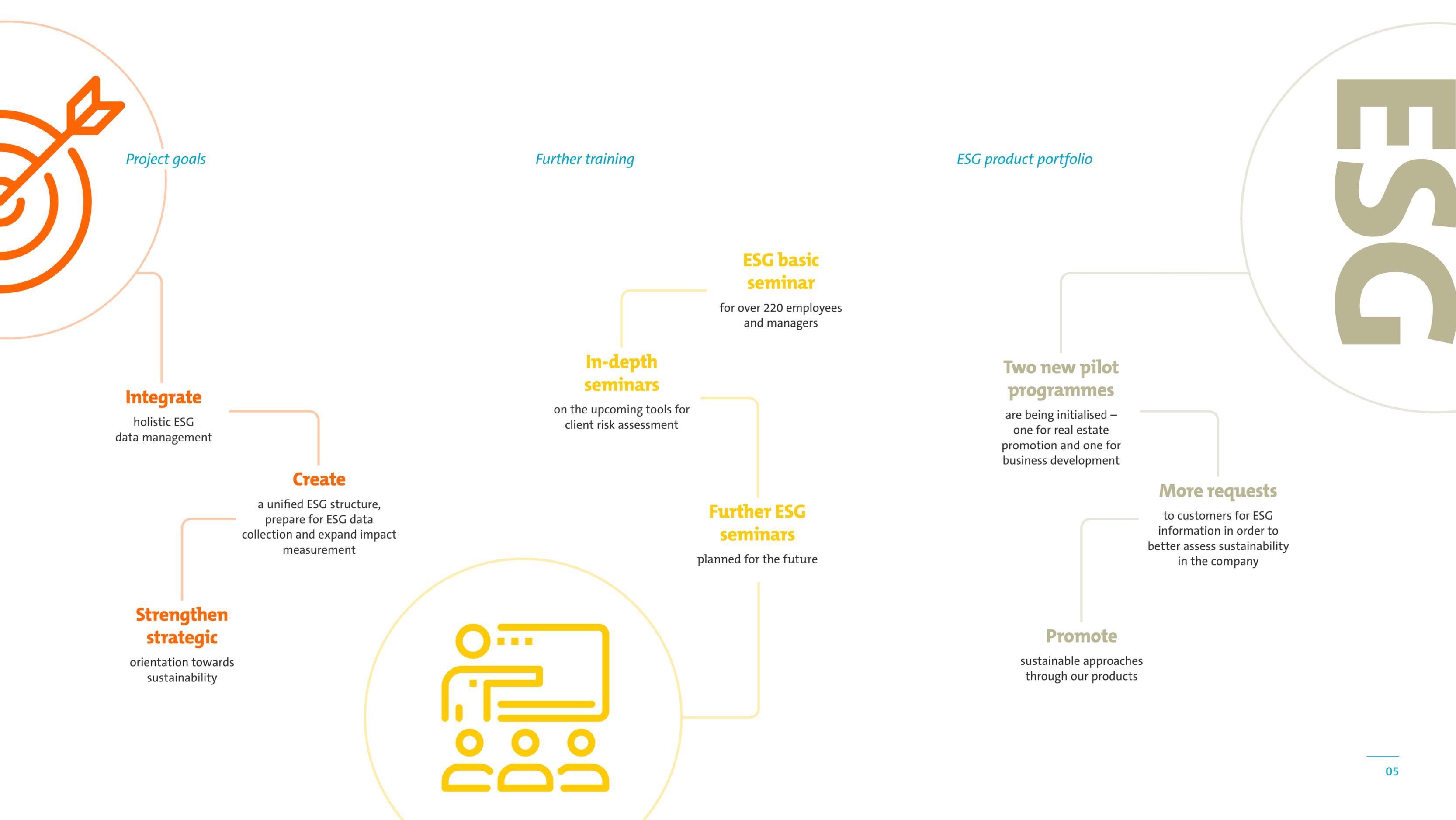
Ressources



Our strongest goals:



Broad-based project team from various divisions, staff units and affiliates of the entire IBB Group in the sustainability project



Project goals

Integrate

holistic ESG data management

Create

a unified ESG structure, prepare for ESG data collection and expand impact measurement

Strengthen strategic

orientation towards sustainability

Further training

In-depth seminars

on the upcoming tools for client risk assessment

ESG basic seminar

for over 220 employees and managers

Further ESG seminars

planned for the future

ESG product portfolio

Two new pilot programmes

are being initialised – one for real estate promotion and one for business development

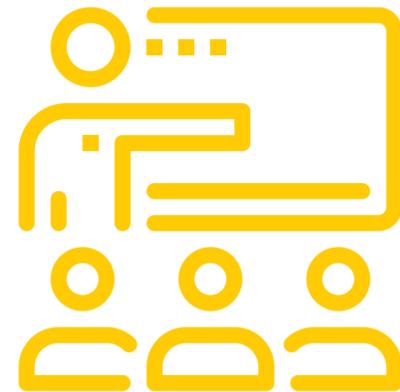
Promote

sustainable approaches through our products

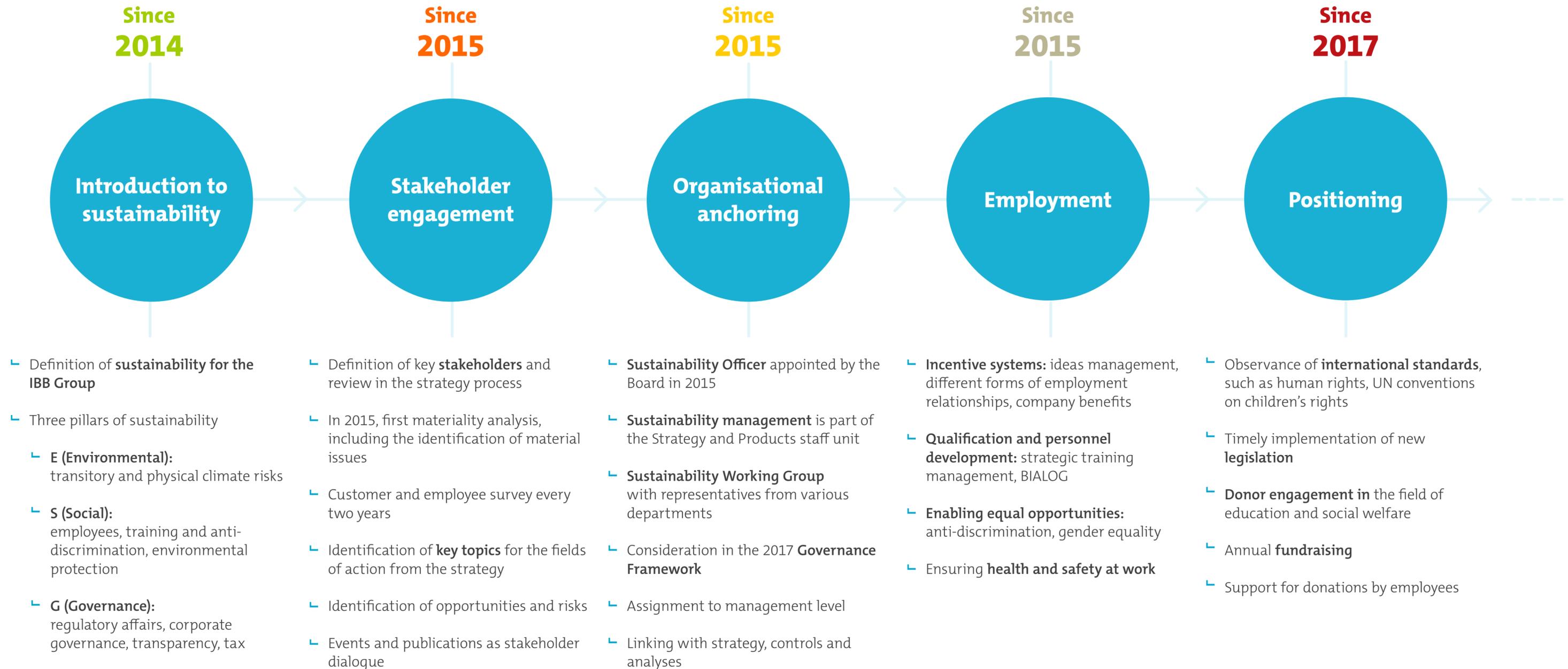
More requests

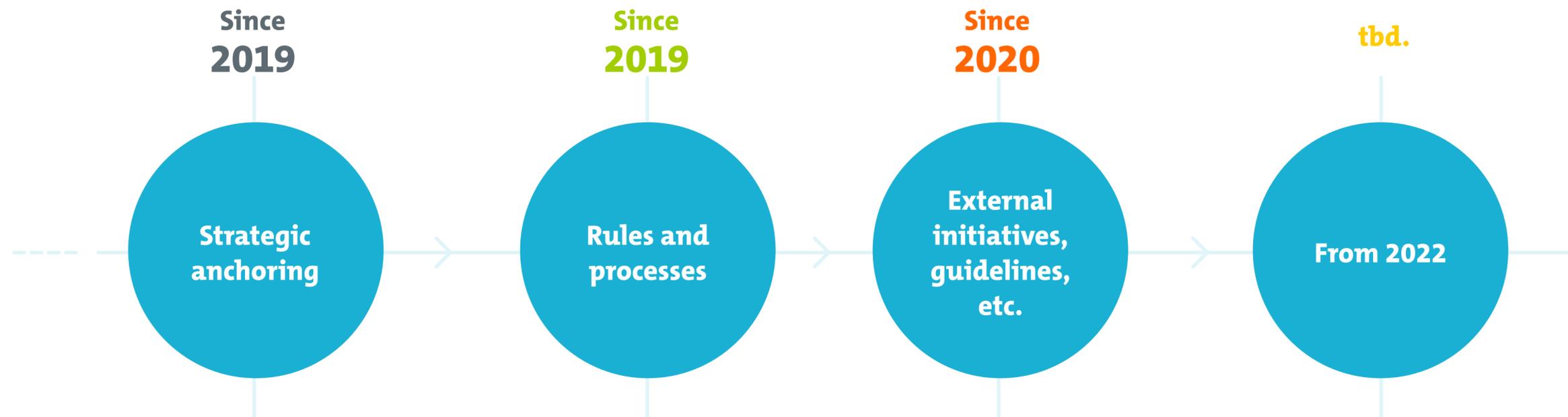
to customers for ESG information in order to better assess sustainability in the company

ESG



Our path to 'Impact Bank Berlin'





Since 2019

Strategic anchoring

- Integration of a dedicated **sustainability strategy** into the business strategy, annual update
- Defining the **fields of action** and **guiding principles** (expectations for sustainability)
- Principles** (implementation of sustainability)
- Formation of overarching **goals**, disclosure in the sustainability report, using **indicators** to establish links to **measures** and measurability

Since 2019

Rules and processes

- Anchoring processes for sustainability
- Regular processes, such as **reporting**
- Identification of new topics, documentation
- Introduction of a **set of indicators** to measure objectives, to present them in conjunction with fields of action and to be able to identify the achievement of objectives

Since 2020

External initiatives, guidelines, etc.

- Implementation of **SDG mapping**
- Questions about **UN Global Compact**
- DNK (German Sustainability Code) reporting**
- Non-financial statement** and auditor's review
- Climate-neutral bank operations
- Evaluation by external **sustainability rating**

tbd.

From 2022

- Implementation of the **Taxonomy Regulation**
- Sustainability **database** (ESG data)
- Climate neutrality in the credit portfolio
- Publication of **sustainability guidelines**
- Further improvement of the sustainability rating

Sustainability strategy

It is the goal of the IBB Group to promote the sustainable development of Berlin. The IBB Group works together and in cooperation with its stakeholders to ensure a liveable future in Berlin. This includes holistically improving living conditions in the capital city. The support products offered by the IBB Group are designed to provide suitable incentives to accelerate development with a view to a sustainable Berlin. This is another reason why the impact we achieve through our support is so crucial. The effect highlights how much we are contributing towards sustainable development, for instance by creating jobs or building social housing according to energy standards.

Based on the public mandate and business model of the IBB Group, the issue of sustainability has been a central part of the bank's business activities since it was founded. We have anchored our sustainability strategy in our business strategy, which enables us to focus on the key sustainability goals that are incorporated into the regulated strategy process of IBB Unternehmensverwaltung (IBB UV). The IBB Group's business strategy is updated annually and can therefore also take into account current developments. Furthermore, this strategy is approved by the Administrative Board, i.e., the supervisory body of IBB UV.

We derive the key sustainability aspects for the strategy primarily from the materiality analysis. This includes a survey of our stakeholders. Our key fields of action form the basis for our sustainability strategy. The fields of action focus on the following four topics, which are simultaneously integrated into the business process and closely interlinked with the business strategy.

Our fields of action:



Business ethics and product responsibility



Social commitment, communication and compliance



Social responsibility for our employees



Corporate environmental protection and resource efficiency

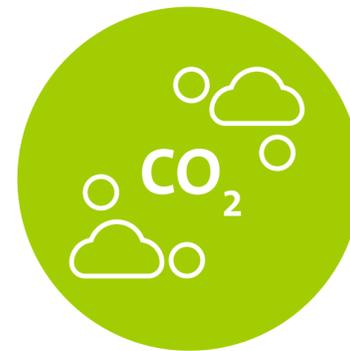
To implement a systematic sustainability strategy, we need to compare values, so that we can map progress over time. That's why the IBB Group uses sustainability-relevant standards, such as the Global Reporting Initiative (GRI) or the Sustainable Development Goals (SDGs), to disclose a systematic sustainability strategy. Sustainable approaches are promoted in all four fields of sustainability action. What's more, the sustainability programme is drawn up in consultation with the relevant stakeholders and agreed jointly with the Board, and its implementation is tracked by the Sustainability Officer.



The sustainability strategy is fleshed out in the form of goals, measures, agreed rules (Code of Conduct and [Sustainability Guidelines](#)), the business strategy and instructions on how processes are to be carried out (written rules of procedure). In addition, the corporate strategy along with its goals and measures are reviewed each year. Both the departments and the Board are involved in this review process. The goals and measures are also incorporated into the corresponding departments for the central fields of action (e.g. product responsibility, social responsibility for our employees). This allows the specific measures to be implemented by the respective process owners and the set goals achieved.

A Sustainability Officer position has also been set up at the IBB Group. This officer reports directly to the Board. The Sustainability Working Group that has been set up has also developed sustainability guidelines for the entire IBB Group. The following measures are now being taken: The GRI indicators defined for the entire bank are collected and reported each year and used to identify potential improvements. In addition, due to national or regulatory requirements, the [declaration of conformity with the German Sustainability Code](#) (DNK) is issued and integrated into sustainability reporting. The [non-financial statement \(2021\)](#) in accordance with the CSR Directive Implementation Act for IBB UV is also submitted annually and reviewed by an independent auditing firm.

The most important medium-term sustainability goals for the IBB Group



Support for a 'Climate Neutral Berlin' by 2045



Enabling sustainable funding and support based on the SDGs by 2030 (beginning 2020)



Be the most important contact point in Berlin for 'sustainable funding opportunities' by 2030



Climate-neutral bank operations beginning 2022



Integration of the SDGs into all of the IBB Group's fields of action



Achieve the goals and measures laid down in the sustainability programme

Our contribution to the SDGs

The IBB Group is committed to the 17 global Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 and applies these goals in a transparent and measurable manner to the Group's fields of activity. By referencing the SDGs, the IBB Group clearly outlines how financing is making a sustainable contribution to the further development of our environment. We have therefore assigned each of our support programmes to one of the 17 Sustainable Development Goals. In addition to SDG mapping, the IBB Group has also prepared impact indicators based on its programmes and the SDGs.

For the [2020 Sustainability Report](#) we have mapped our support programmes to the SDGs for the first time. Although the funding programmes may well contribute to several SDGs or sub-goals, we have selected a significant sub-goal for each funding programme and then mapped this to the corresponding main goal. The programmes were neither assigned nor credited to several goals at the same time. In future, the focus will be more on the impacts associated with the SDGs which will enable us to provide more transparent information about our sustainable activities.

The IBB Group has set itself the goal of providing at least EUR 15 billion in sustainable funding based on the SDGs by 2030.



List showing the impact of our funding and support according to SDGs for the 2021 financial year

Main SDG		Pledges in thousand euro	Public revenues in thousand euro*	Share of private investment in Berlin in total**	BIP effect in thousand euro	Jobs secured (number)	Jobs created (number)	Total residential units created	Carbon savings in tonnes p.a.
1 NO POVERTY		3,415,361	176,434	0.01	3,365,914	22,413	165	–	–
3 GOOD HEALTH AND WELL-BEING		3,942	204	0.02	3,885	3	–	–	–
4 BUILD AND EXPAND QUALITY EDUCATION FACILITIES		149,200	7,708	0.59	147,040	95	–	–	–
7 AFFORDABLE AND CLEAN ENERGY		2,915	151	0.01	2,873	2	–	–	–
8 DECENT WORK AND ECONOMIC GROWTH		332,408	17,172	1.25	327,596	9,432	4,807	–	–
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE		1,359,279	70,219	5.34	1,339,600	1,432	464	–	–
11 SUSTAINABLE CITIES AND COMMUNITIES		1,179,508	60,932	4.56	1,162,431	846	–	15,380	18,657
12 RESPONSIBLE CONSUMPTION AND PRODUCTION		7,111	367	0.03	7,008	5	–	–	–
Total result		6,449,725	333,187	11.79	6,356,346	34,226	5,437	15,380	18,657

* Public revenues: tax revenues, fees, etc.

** Investment in machines, buildings, infrastructure; ratio between our investments and investments by exclusively private companies

Sustainable reporting

The most important instrument of our sustainability communication is our annual [Sustainability Report](#), which informs our stakeholders of developments. The current [2021 Sustainability Report \(data update\)](#) was published by Investitionsbank Berlin (IBB) in cooperation with its sister companies. Our stakeholders have been defined as part of the strategy process. Stakeholders are, for instance, customers and cooperation partners, politicians, business associations and employees. The IBB Group holds regular and structured dialogue every two years. The results of the survey provide information about the most important expectations and serve as orientation for our strategic direction.

The ensuing legal requirements also lead to additional information requirements. The IBB Group issues

- ↳ a [Sustainability Report](#),
- ↳ a Management Report (annually),
- ↳ a [Non-financial Statement](#) in accordance with the CSR Directive Implementation Act (review by independent auditing firm, annually) and
- ↳ a [DNK declaration of conformity](#) (German Sustainability Code, every two years).

An additional [sustainability programme](#) is published to coincide with the Sustainability Report. The programme contains goals and measures for each of the four fields of action in relation to sustainability. The sustainable direction and the goals are agreed in advance with the relevant stakeholders, adopted by the Management Board and their implementation is monitored by the Sustainability Officer. The [Sustainability Balanced Scorecard](#) is published in addition to this. The indicators are disclosed in accordance with the GRI standard. Subsequently, the developments and targets achieved with the sustainability programme can be compared with each other over several years on the basis of key performance indicators.



Organisational anchoring

The Board of the IBB Group is responsible for sustainability. A Sustainability Officer has been appointed by the Board to lead the implementation of systematic sustainability management across the entire Group in cooperation with the various departments. This function is part of IBB's Strategy and Products unit and reports directly to the Chairman of the Board.

The Sustainability Officer is supported by the Sustainability Working Group, in which various departments are represented. The Sustainability Officer chairs the working group, which is firmly anchored in IBB's governance framework. In addition to the overall topics relevant to sustainability, responsibility for the specific, operational aspects of sustainability generally lies with the individual organisational units of the IBB Group. The Sustainability Officer thus acts as a central body within the Group, ensuring that the necessary framework conditions and rules are in place and accompanying the latest market developments in the sense of a coordination function that reaches into the divisions.

André Meinecke
Sustainability Officer
of the IBB Group



Sustainability guidelines

As part of the 'Impact Bank Berlin' project, the IBB Group has drawn up sustainability guidelines for the first time, which are [published](#) on IBB's website. The guidelines provide a binding standard for the IBB Group while increasing transparency for stakeholders.

The sustainability guidelines explain the different levels of sustainability (Group perspective, sustainability aspirations and sustainability implementation) to our stakeholders. This is then used to present the organisa-

tional anchoring in the IBB Group, disclosing not only goals and measures but also responsibility for this topic. Likewise, our four fields of action, including the respective guiding principles, are listed in the sustainability guidelines. The guiding principles form our expectations for these topics, for instance, when it comes to housing support programmes.

In addition, principles have been laid down that set the framework for our sustainable actions:

Exclusion criteria of the IBB Group

In addition, **exclusion criteria** have been defined and are presented below in the overview:

- ↳ Armament and weapons industry
- ↳ Power generation
 - ↳ Nuclear power plants
 - ↳ Coal-fired power plants
 - ↳ Oil and gas
- ↳ Alcohol
- ↳ Tobacco
- ↳ Wildlife
- ↳ Pornography and prostitution
- ↳ Gambling

Overview of the fields of action and related principles



Business ethics and product responsibility

- ↳ Implementing sustainable funding and lending business:
 - ↳ Explaining how ESG criteria are integrated into the lending process
 - ↳ Presenting the IBB Group's exclusion criteria
- ↳ Sustainable capital market business



Social commitment, communication and compliance

- ↳ Transparency, compliance and commitment



Social responsibility for our employees

- ↳ Social responsibility for our employees



Corporate environmental protection and resource efficiency

- ↳ Efficient use of resources

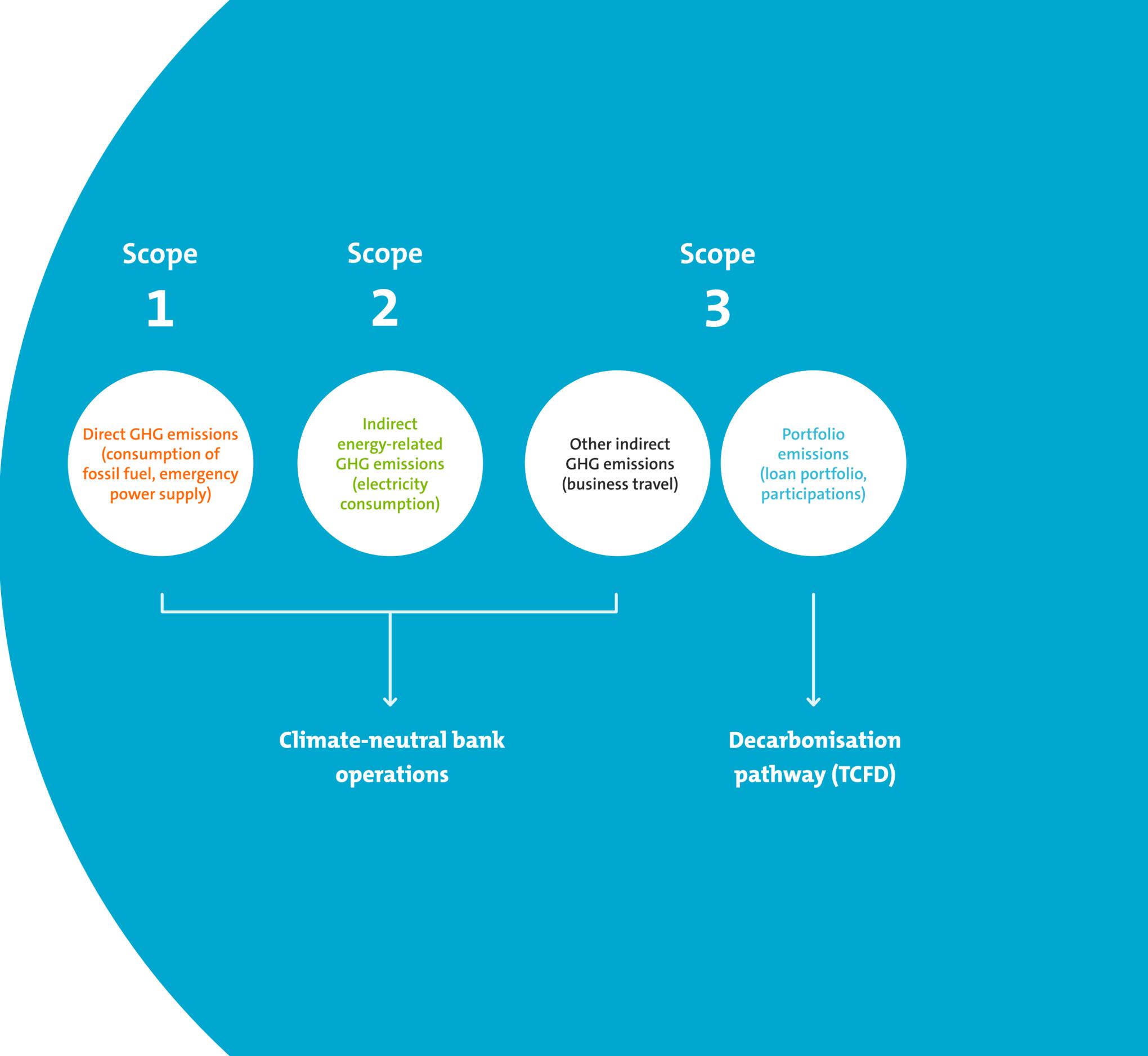


Our sustainability guidelines also address capital market business, communication, compliance, donation sponsoring, our employees, and provide information on our use of resources in conjunction with our property.

Zero footprint

We use natural resources in a sustainable manner. That's why we make use of environmentally friendly or regenerative resources whenever and to the furthest extent possible. This is particularly true when it comes to paper, fuel, energy, water and climate-relevant emissions. Consumption is recorded and analysed and, if necessary, measures are identified. Unavoidable climate-relevant emissions are offset by our support for climate protection projects. Thanks to our collaboration with [ClimatePartner](#), our business operations have been climate-neutral since 2022.

Consumption from **Scope 1, 2 and 3** are neutralised in the process. Scope 1 includes direct greenhouse gas emissions, such as fossil fuel consumption and emergency power supply. Indirect greenhouse gas emissions, such as electricity consumption, are assigned to Scope 2. Scope 3 includes other indirect greenhouse gas emissions, such as business travel. By neutralising our banking operations, we were able to successfully offset these emissions. Since we will also include the emissions of the loan portfolio and participations in Scope 3 in the future, we will also require relevant information from our customers. As part of our decarbonisation path, we want to involve the relevant customer groups and thus successively reduce our emissions. In this regard, we will draw up a roadmap and take our cue from the Task Force on Climate-related Financial Disclosures, better known as TCFD.



Our plans for the future

The implementation of the Taxonomy will lead to far-reaching changes, as banks and especially promotional banks, now have a key role to play in the transformation towards a sustainable society. In light of this, the so-called green asset ratio must be established on the basis of 'green compliance screening' beginning 1 January 2024. The underlying six environmental objectives of the Taxonomy must be examined with a view to financing. The Taxonomy is also broken down into relevant economic sectors. The different sectors of the economy, for instance, construction and real estate or the production of chemicals, are required to comply with different indicators, tests and constantly updated limit values (e.g. CO₂). As this topic becomes ever more complex and in light of further regulatory requirements, establishing an ESG database appears to make good sense.

This approach is in line with the strategic orientation of the IBB Group's business and functional strategies as well as its sustainability strategy. The sustainability strategy envisages IBB becoming a central point of contact in the Federal State of Berlin, providing ESG data and information on sustainability.

Using a questionnaire, we will collect the necessary ESG data from our business partners. This will enable us to meet the regulatory requirements and to support the Federal State of and our customers during the transformation process and to take advantage of the opportunities offered by sustainable development.

Furthermore, IBB's product portfolio is to be converted to address the topic of ESG. New products are also to be included as part of the ESG catalogue and must be measured against it. What's more, it is important for IBB to begin gaining first-time experience in collecting ESG data. This means piloting the first ESG products, even though this will not yet mean achieving Taxonomy conformity. Further funding and programmes are to be acquired in this context throughout the IBB Group.

IT integration is also an important aspect. The primary duty here is to implement the regulatory requirements by integrating the Taxonomy into IBB's systems and processes. Further ESG information is also to be taken into account in the database.

With these planned steps, the IBB Group is determined to help the Federal State of Berlin to become climate neutral by 2045 and to meet the goals of the Berlin Energy and Climate Protection Programme.

Environmental



Social



Governance



Imprint

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