



Green Bond Presentation

May 2025

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1. Sustainability at DZ HYP



Sustainability at DZ HYP

Our understanding of sustainability



Values and principles

- » Sustainable business model in line with the needs of our employees and society
- » Cooperative principles of helping people to help themselves, self-responsibility, and self-governance for society as guidelines for sustainable action
- » Support for the transformation of the economy and society



Achieving more together

- » Member of the DZ BANK Group, and of the Cooperative Financial Network
- » Bundling sustainability activities: Active participation in the sustainability initiative of the DZ BANK Group and exchange of knowledge within the group
- » Development of group-wide standards with regard to Code of Conduct, climate strategy, lending exclusions



Our commitment

- » Commitment to the SDGs, the Paris Agreement on climate protection, and the German government's 2016 Climate Protection Plan 2050
- » Participant of the United Nations Global Compact, committed to implementing, disclosing, and promoting the ten principles for responsible business
- » Commitment to the 2030 Agenda for Sustainable Development

Sustainability at DZ HYP

Continuous development increases contribution to greater sustainability



Environment

- » Group-wide reduction target of greenhouse gas emissions of 65% by 2030 and climate neutrality by 2045 in our own business operations
- » Redrafting the exclusion criteria for controversial business areas/practices
- » Decarbonization targets for the business portfolio
- » Incorporation of transitional and physical risks into DZ HYP's risk management



Social

- » In 2012, the "Diversity Charter" was signed as a fundamental principle of the company's policy, and the rules of the "Fair Company Codex" were adopted
- » Award for family-friendly employee policy by the non-profit Hertie Foundation
- » "Best place to learn" seal of quality confirms high training quality
- » Support and sponsorship of a variety of social institutions and projects (Hamburg Donations Parliament, Club of Rome)



Governance

- » Sustainability strategy as a guideline and integral part of the business strategy
- » Integration of sustainability into the company structure and establishment of distinct committees
- » Creating transparency through an annual sustainability report



Sustainability at DZ HYP

Milestones of the past ten years

Publication of the first sustainability report

Participation in UN Global Compact

2014

2016

Voluntary commitment to the "Fair Company Codex"

Implementation of a climate strategy for the DZ BANK Group

Awarded the "Career Promoting & Fair Trainee Programme" seal by ABSOLVENTA

2018

Anchoring sustainability in the corporate structure and establishing various committees

2020

Systematic collection of sustainability certificates in real estate lending

2022

Integration of climate and environmental risks in our risk management

Publication of the first Green Bond Framework

Sustainability ranking for local authorities

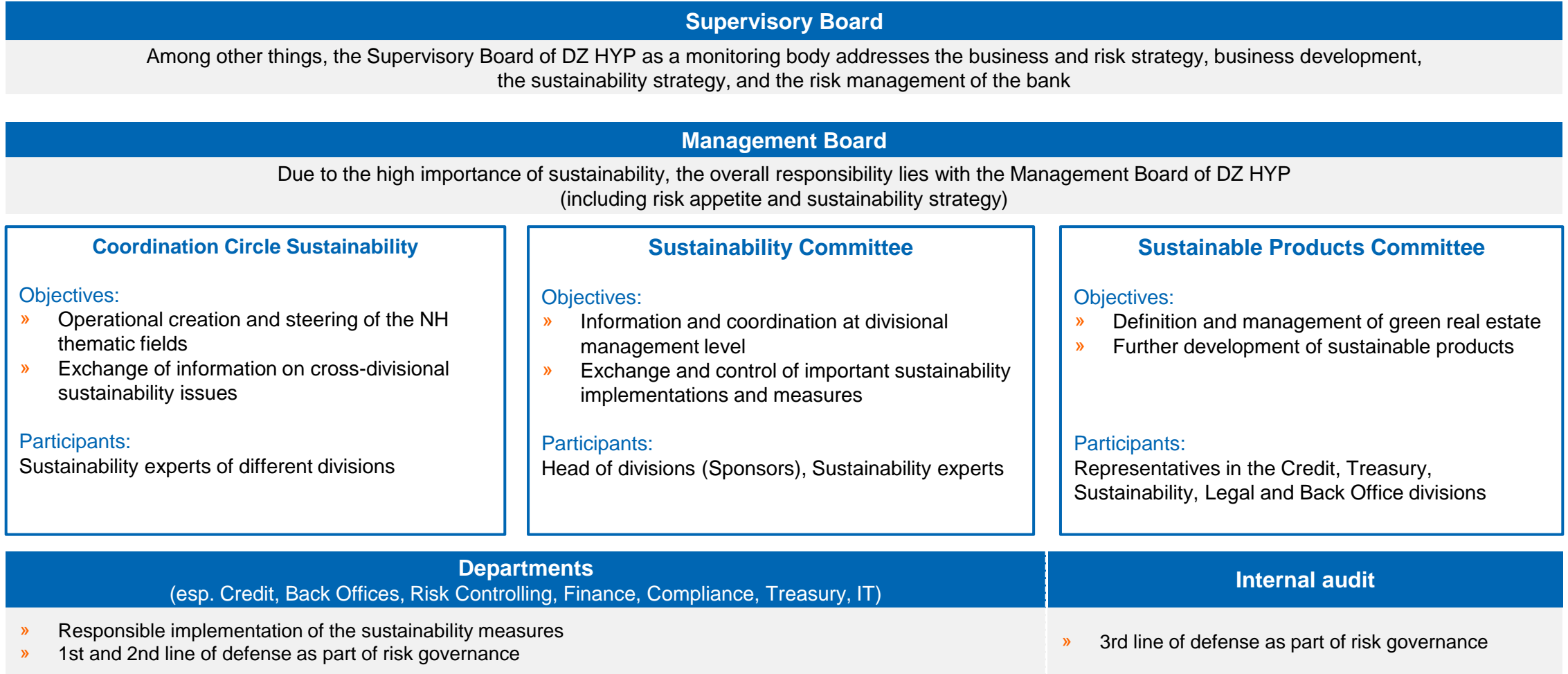
2024

Update of the Green Bond Framework

2025: First sustainability report in accordance with CSRD

Sustainability-Governance

Comprehensive anchoring of sustainability topics





Sustainable Banking

- » Long-term economic success
- » A solid business model
- » Responsible products
- » Lawful behaviour
- » A trustworthy business partner
- » Risk management



Ecological Responsibility

- » Resource efficiency
- » Climate protection
- » Energy optimisation
- » Raising awareness of environmental issues
- » CO₂ reduction
- » Sustainable procurement



Employee Matters

- » Employer attractiveness
- » Training and professional development
- » Employee satisfaction
- » Job security
- » Employee health
- » Participation and co-determination
- » Diversity and equal opportunities
- » Demographic change



Social Commitment

- » Promoting social participation
- » Human rights principles
- » Cooperation, e.g., with universities, associations, etc.



Sustainability Targets

Quantitative sustainability targets of DZ HYP from 2025

E,S and G	Subject	Targets	Actual value 31 st Dec 2024	Target value	Target Year
General	Rating	Maintain current ISS-ESG rating	ISS-ESG: C*	Maintain prime status	permanently
Environment	Portfolio	Commercial real estate	39.23 kg CO2e/m2a	38.84/38.15/26.01 kg CO2e/m2a	2025/2026/2030
		Private real estate	53.43 kg CO2e/m2a	49.90/48.62/31.94 kg CO2e/m2a	2025/2026/2030
	Own Operations	Reduce operational CO ₂ emissions	A 62% reduction compared to 2009	65% reduction compared to 2009/climate neutral	2030/2045
Social and Governance	Own Operations	Proportion of women in management bodies Board of Management Supervisory Board	33% 22%	33% 22%	permanently 31.07.2028
		Proportion of women in management positions at divisional manager level at departmental manager level	12.50% 20.59%	25% 25%	31.10.2025 31.10.2025

*"C+" February 2025

Risk management at DZ HYP

ESG aspects are integrated into risk management



DZ HYP is committed to sustainable and responsible business practices and pursues a conservative risk strategy.

Identifying, assessing, managing and monitoring risks is an essential part of DZ HYP's business activities.

A framework document and risk strategies are defined on the basis of risk policy guidelines. These are reviewed annually.



To implement its risk appetite, DZ HYP has implemented a clearly defined risk governance system with transparent and defined responsibilities and a suitable communication framework.

ESG Risikomanagement



- » As part of the annual risk inventory, we analyse which potentially significant risk drivers from the areas of climate and environment, as well as social and governance, are relevant.
- » A scorecard has been developed to measure physical and transition risks.
- » When investment decisions are made regarding commercial real estate projects, criteria are applied that take into account both risk and return aspects as well as social and ecological factors.
- » Climate and environmental risks are integrated into governance and frameworks.
- » Using a calculation logic for financed issues and valuation of the real estate portfolio with regard to the financed issues along established benchmark paths.
- » Derivation of meaningful risk indicators for DZ HYP's reporting.

2. Green Bond Framework

Sustainability at DZ HYP

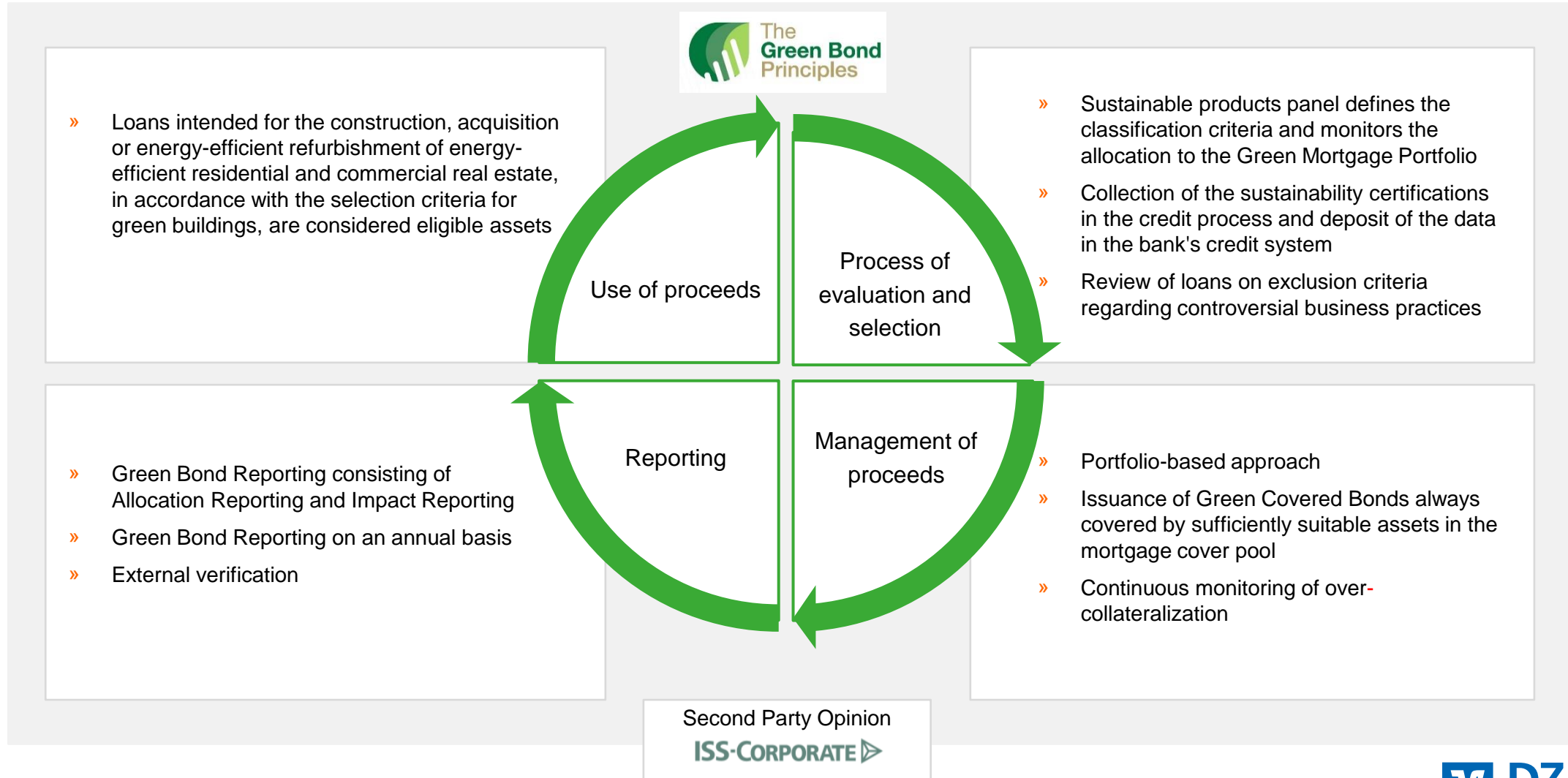
Motivation for issuing Green Pfandbriefe







Green Bond Principles as the basis of the DZ HYP Framework

Key statements



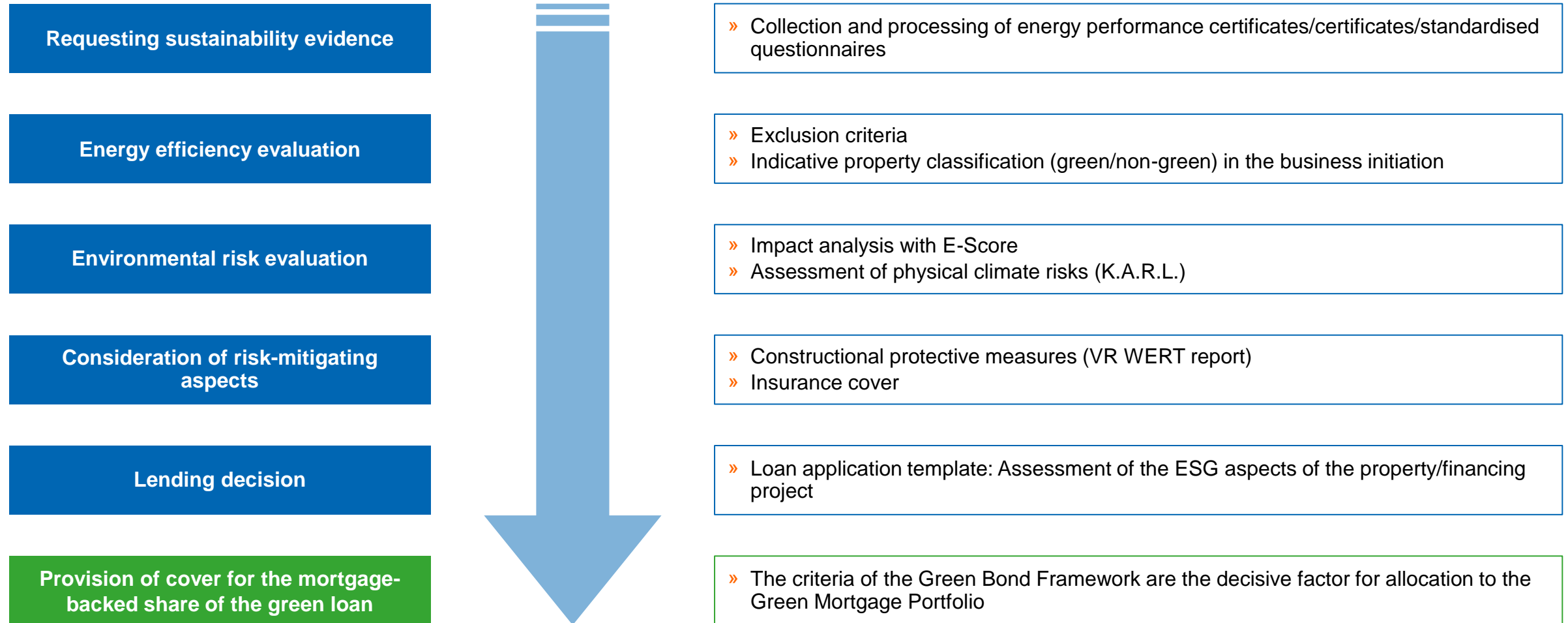


Selection Criteria for the Green Pfandbrief

Contribution to the EU's environmental objectives and economic activities	Use of Proceeds		Criteria for Eligibility for the Green Pfandbrief	Contribution to the UN SDGs
Economic activities of the EU: 7.1 Construction of new buildings 7.2 Renovation of existing buildings 7.7 Acquisition and ownership of buildings	New construction of commercial and residential buildings		NZEB-10 percent The building's primary energy demand is at least 10 per cent below the threshold values set in the national measures for implementing Directive 2010/31/EU for nearly zero-energy buildings. This is verified by an energy performance certificate.	
	Renovation of commercial and residential buildings		30 per cent reduction in energy demand respectively consumption Renovation/refurbishment will reduce energy demand respectively consumption by at least 30 per cent. The reduction will be demonstrated either by energy performance certificates issued in accordance with the GEG before and after the renovation/refurbishment work or by comparable calculations respectively measurements. The energy demand or consumption after the work must reach a level that is in line with the EU's climate targets.	
	Acquisition and ownership of commercial and residential buildings	that were constructed before 31st December 2020:	EPC energy efficiency class A The building has an energy certificate that corresponds to at least energy efficiency class A. Top 15-percent The building is among the top 15 per cent of the national or regional building stock in terms of primary energy demand or consumption. The results of the study by Drees and Sommer on the top 15 per cent of the German real estate portfolio, which was commissioned and published by the Association of German Pfandbrief Banks (vdp), are used for the assessment. DGNB-Certification The building has been certified by the German Sustainable Building Council (DGNB) with either 'Gold' or 'Platinum'.	
		that were constructed after 31st December 2020:	NZEB-10 percent The building's primary energy demand is at least 10 per cent below the threshold values set in the national measures for implementing Directive 2010/31/EU for nearly zero-energy buildings. This is verified by an energy performance certificate.	

Selection Process for the Green Mortgage Portfolio

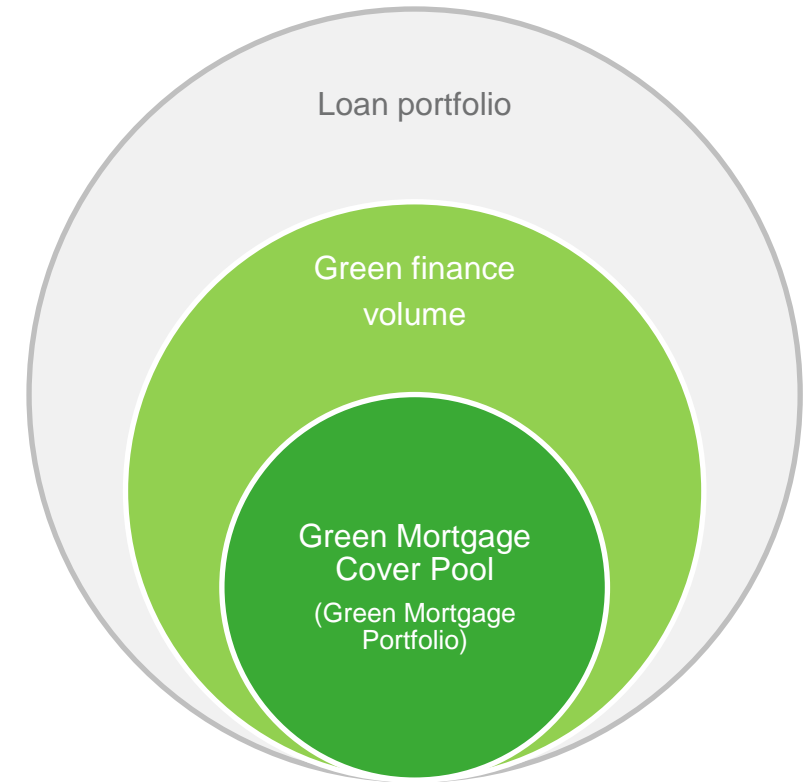
Sustainability aspects are already taken into account when granting loans



Management of Proceeds

Portfolio-based management

- » Classifying eligible assets according to the selection criteria described in the Green Bond Framework
- » Eligible assets are flagged in the mortgage cover pool and form the Green Mortgage Portfolio
- » Portfolio-based management of proceeds
- » Issuance of Green Pfandbriefe require sufficient eligible assets in the Green Mortgage Portfolio
- » In the unlikely event that outstanding Green Pfandbriefe exceed the volume of eligible assets, DZ HYP will temporarily invest the liquidity with a credit institution that has a good sustainability rating
- » The Treasury department controls and monitors the process

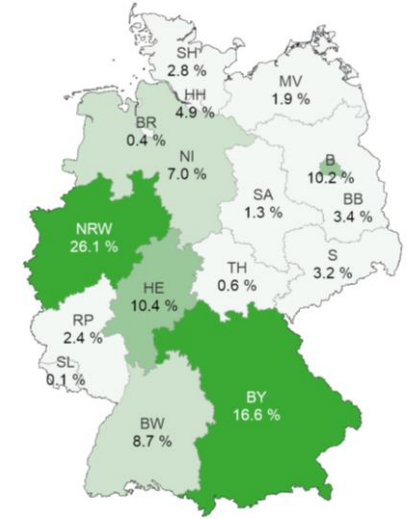
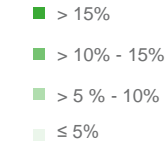


Portfolio overview

Green Mortgage Portfolio | 31/03/2025

- » As of 31 March 2025, DZ HYP finances green buildings in a volume of € 13,191 mn
- » There of, € 9,845 mn are part of the mortgage cover pool and can be refinanced via Green Pfandbriefe
- » Exclusively green real estate in Germany (corporate clients & private customers)
- » Diversified real estate portfolio with a focus on residential and office buildings

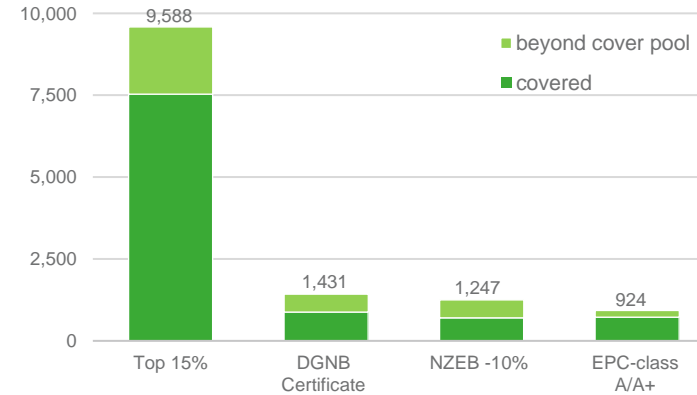
Regional distribution



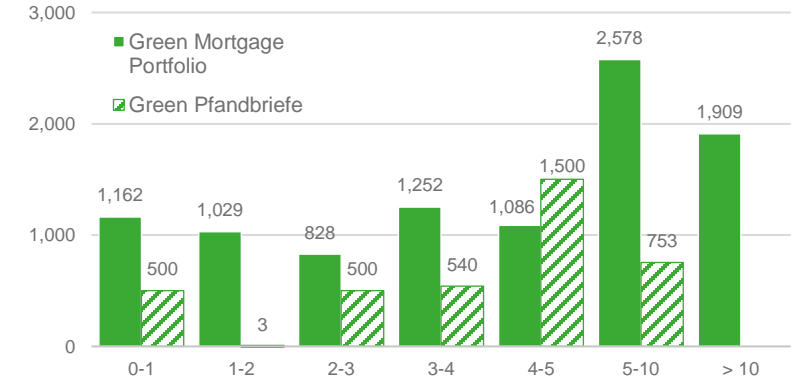
Building type
In € mn



Eligibility criteria
In € mn



Maturity profile (years)
In € mn





19,275
Green residential and
commercial buildings
financed



357,232 MWh
savings
DZ HYP-share



95,034 t
CO₂-savings
DZ HYP-share



7.77 t
CO₂ - savings per
€ million invested
DZ HYP-share

- » Publication of the Green Bond Report¹ on an annual basis as of 31 December (in Q1 of the following year)
- » Evaluation of the allocation and development of the impact reporting by Drees & Sommer (consulting firm)
- » Methodology:
 - » Assessment of energy efficiency on the basis of collected sustainability documents
 - » Subsequently comparison with comparative buildings for specific types of use

¹Green Bond Reporting: <https://dzhyp.de/en/investor-relations/informations-for-investors/green-bonds//>



Low Carbon Buildings	Year of issuance	Type	Signed amount ^a	Reference area ^b	Share of total portfolio financing ^c	Annual final energy savings ^d	Annual CO ₂ emissions avoidance ^e	Financing share annual final energy savings ^f	Financing share annual CO ₂ emissions avoidance ^g
Unit	[yyyy]	[-]	[EUR]	[m ²]	[%]	[MWh/year]	[tCO ₂ /year]	[MWh/year]	[tCO ₂ /year]
DZ HYP AG	2024	Low Carbon Building	9,110,067,494	12,041,622	100,00	905,764	242,371	357,232	95,034
Offices	2024	Low Carbon Building	2,656,843,270	2,978,437	29,16	272,873	72,577	101,330	26,873
Residential SFH			1,408,633,916	1,270,096	15,46	84,933	18,855	37,082	8,232
Residential MFH			3,382,295,932	5,030,316	37,13	330,157	73,243	135,495	30,033
Retail Food			204,642,274	261,124	2,25	57,979	22,179	26,468	10,303
Retail Non-Food			922,957,888	1,369,944	10,13	77,790	27,703	25,009	8,824
Logistics			221,558,355	896,488	2,43	62,363	21,177	23,068	7,782
Hotels			313,135,859	235,217	3,44	19,668	6,638	8,780	2,987

^a Legally committed signed amount by the issuer for the portfolio or portfolio components eligible for green bond financing.

^b Reference area based on national definition, e.g. Energy performance certificate based, net floor conditioned area.

^c Portion of the total portfolio cost that is financed by the issuer.

^d Final energy savings calculated using the difference between the top 15% and the national building stock benchmarks.

^e Greenhouse gas emissions avoidance determined by multiplying the final energy savings with the carbon emissions intensity.

^f Final energy savings calculated adjusted with the financing share.

^g Greenhouse gas emissions avoidance adjusted with the financing share.

Office and administration building, Neu-Isenburg (Hessen)



© HAMBORNER REIT AG

- » Year of construction: 2019
- » Area*: 4,274 m²
- » Certificate : DGNB Platin

Office and administration building, Duesseldorf (North Rhine-Westphalia)



© Real I.S. AG

- » Year of construction: 2021
- » Area*: 5,868 m²
- » Certificate: DGNB Gold

*according to energy certificate

External review of the Green Bond Framework

Second Party Opinion

- » ISS-Corporate reviews Green Bond Framework
- » Confirmation of alignment with the ICMA Green Bond Principles
- » Extracts from the Second Party Opinion:

“The Issuer has defined a formal concept for its green bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds, and reporting. This concept is in line with the GBP.”

“The Issuer can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being responsible actors, working to minimize negative externalities in their operations along the entire value chain.”

„DZ HYP has implemented several approaches to integrate ESG factors into its lending and risk management practices, particularly for its role as a Pfandbrief issuer.“

“The key sustainability objectives and the rationale for issuing green bonds are clearly described by the issuer.”



External review of the Green Bond Reporting

External Verification

- » ISS Corporate's review of green bond reporting
- » Confirmation of compliance with the ICMA Green Bond Principles
- » Extracts from the External Verification:

“The report is in line with the initial commitments set in DZ HYP’s Green Bond Framework.”

“DZ HYP’s Green Bond Report adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices.”

“The Green Bond Report is in line with the HFIR. The Issuer follows core principles and, where applicable, recommendations. “

“The allocation of the bonds’ proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework.”

“The proceeds collected equal the amount allocated to eligible projects, with no exceptions. The proceeds are tracked appropriately and attested in a formal internal process.”

ISS-CORPORATE 	
REPORT REVIEW DZ HYP Green Bond Report	
26 February 2025	
VERIFICATION PARAMETERS	
Types(s) of reporting	▪ Green Bond Allocation and Impact Report
Relevant standard(s)	▪ Harmonised Framework for Impact Reporting, ICMA, June 2024
Scope of verification	▪ DZ HYP's Green Bond Report (as of Feb. 26, 2025) ▪ DZ HYP's Green Bond Framework (as of Dec. 4, 2024) ▪ Bond identification: see Appendix
Lifecycle	▪ Post-issuance verification
Validity	▪ As long as no changes are undertaken by the Issuer to its Green Bond Report (as of Feb. 26, 2025)
<small>www.iss-corporate.com © 2025 ISS Corporate Solutions, Inc. All Rights Reserved</small>	

3. Funding

Strong refinancing base due to stable ratings

Bank ratings

	S&P Global	Moody`s	FitchRatings
Issuer rating	A+	Aa2	AA-
Outlook	stable	stable	stable
Short-term liabilities	A-1	Prime-1	F1+

Covered bond ratings

Mortgage Pfandbriefe	AAA	Aaa	-
Public Sector Pfandbriefe	AAA	Aaa	-

Unsecured issue ratings

Senior Preferred	A+	Aa2	AA
Senior Non-Preferred	A	A3	AA-

Corporate ESG Performance

RATED BY

ISS ESG

Prime

Rated



MORNINGSTAR

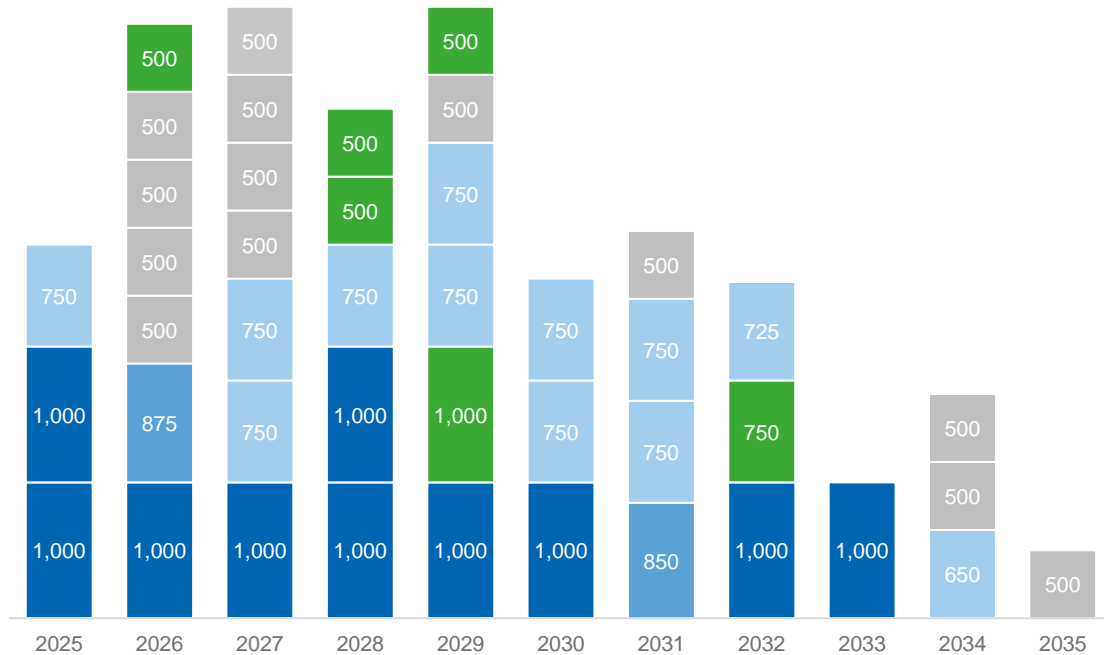
SUSTAINALYTICS

- » ISS-ESG **Prime** status (“C+” Grade) as an award for **above-average commitment**
- » DZ HYP ranks among the **top 10%** of the peer group with a decile rank of “1” (scale 1 - 10)
- » As of 2024, DZ HYP received an ESG Risk Rating of 12.2 from Morningstar Sustainalytics and was assessed to be at low risk of experiencing material financial impacts from ESG factors.¹

¹In no event the risk rating shall be construed as investment advice or expert opinion as defined by the applicable legislation. Copyright ©2022 Sustainalytics. All rights reserved.

Benchmark maturity profile

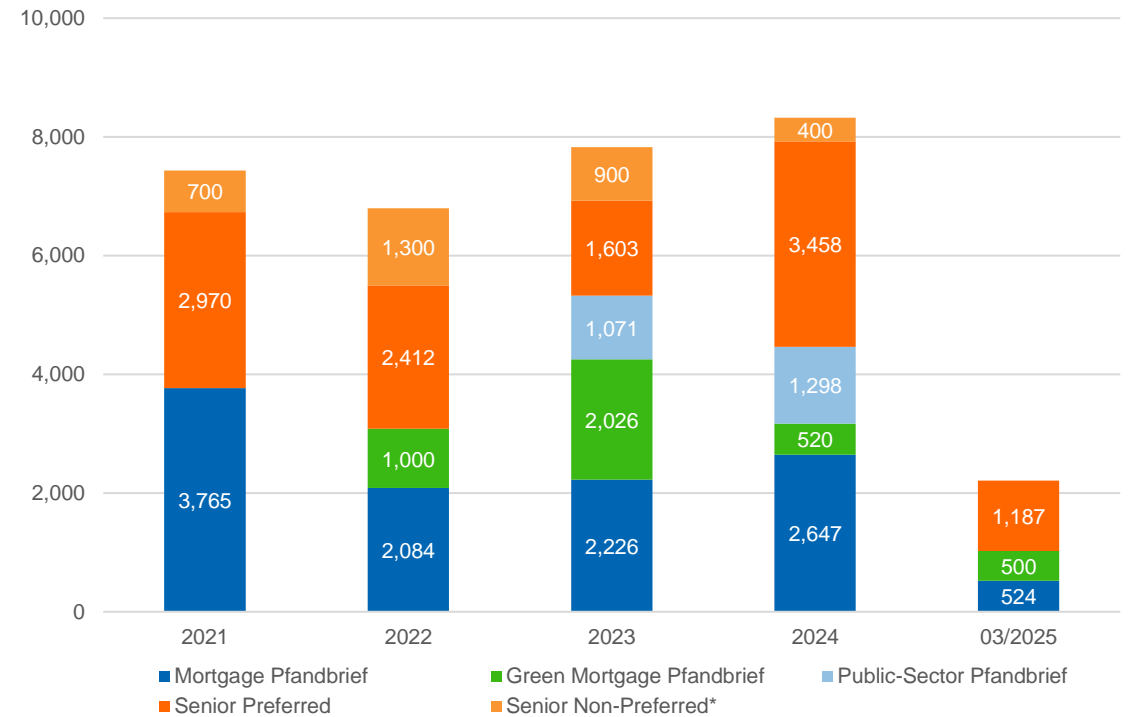
In € mn as of 30/04/2025



¹Volume: Nominal amounts; Source: Bloomberg

New issues

In € mn as of 31/03/2025



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Relevant links:

Framework 12/2024
Second Party Opinion 12/2024
Reporting
External Verification

Debt Issuance Programme Prospectus
Sustainability Report

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