

# SUSTAINABILITY REPORT 2021

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#### About This Report

This Sustainability Report has been prepared using the reporting format based on the standards of the Global Reporting Initiative (GRI). The chapters in this Report mirror the GRI structure insofar as possible. However, we have adapted the names and order to suit our company, to improve readability and to reflect our key issues.

» For more information see About This Report, p. 59

We are making this Sustainability Report available as a PDF with links. The chapters and subchapters in the Contents as well as in the cross navigation section that can be found at the top of the pages in this Report link to the relevant section in the Report.

More information can also be found by clicking on this » symbol, which takes the reader to a page in the Sustainability Report, the Annual Report 2021, the DZ HYP website or an external website.

The page references in the tables on pages 20, 60 and 61 are also cross-linked.

# LETTER FROM THE MANAGEMENT BOARD

Dear readers,

the themes of climate change mitigation and sustainability remained at the pole position in 2021: internationally, negotiations aimed at improving climate action were held at the United Nations Climate Change Conference in Glasgow, and the report of the Intergovernmental Panel on Climate Change (IPCC) on the state of climate research underlined the urgency of the issue.

In February of this year, another topic suddenly forced itself into public consciousness: the war in Ukraine. We are currently experiencing a shift in the peace order and, in particular, a humanitarian catastrophe. Many people, organisations and companies, including DZ HYP, are getting involved and helping where they can. Against this backdrop of violence and human suffering, the issue of sustainability seems rather insignificant. But without a stable social order and institutions that act according to the rule of law, sustainable development is impossible. This is why peace is one of the five pillars of Agenda 2030, through which the international community has declared its commitment to sustainable development worldwide.

At the federal level, the German government set the course for stronger climate action and economic sustainability with its Sustainable Finance Strategy in May 2021, thereby creating the basis for developing Germany into a leading hub for sustainable finance.

We at DZ HYP see ourselves as playing an active role in society, which is why we as a bank strive to base our success on a sustainable business model and proactively contribute to the sustainable transformation of the economy, and in turn to improved environmental protection and climate action. We have been actively committed to this for more than a decade – and the year under review was no exception.



The Management Board of DZ HYP

From left to right Jörg Hermes, Dr Georg Reutter (Chief Executive Officer), Sabine Barthauer

Together with the DZ BANK Group companies, we committed to reduce CO<sub>2</sub> emissions in 2018. Initially, the agreement foresaw a reduction of at least 80 per cent of aggregate carbon dioxide emissions by 2050. As part of the strategic refinement of our sustainability activities, however, we upped our ambitions in the year under review. In line with the German government's climate path, we are now aiming for climate neutrality by 2045 at the latest. Greenhouse gases are to be reduced by an estimated 65 per cent by 2030. Among other things, the modernisation of DZ HYP's head offices in Münster and Hamburg will help us accomplish this goal. Additional prevention or reduction measures will follow. Our focus lies primarily on the topic of mobility, including business and commuter travel, as well as on events. The fact that the Münster site has been certified under the ÖKOPROFIT programme (an ecological project for integrated environmental technology involving the City of Münster, industry, chambers of commerce and national partners) since 2012 bears testimony to the quality of our efforts.

Moreover, the updated rating from the sustainability rating agency ISS-ESG we received in the reporting year underscores the high standard of our activities in this area. As in the previous year, DZ HYP was once again awarded “Prime Status” in the “Financials/Mortgage & Public Sector Finance” peer group, receiving a “C” rating, which puts us above the industry average in terms of our environmental, social and economic sustainability performance.

As a key milestone in the year under review, we established the prerequisites for issuing a Green Pfandbrief, which we successfully placed on the market in February 2022. The necessary preparatory work was carried out as part of a project launched in September 2020 to strengthen our sustainability activities. In the reporting year, for example, we devised a methodology for identifying sustainable properties, integrated it into our new business process in the Corporate Clients segment and classified a notable share of the portfolio. We also strive for continuous improvement in the defined fields of action in many other ways. After completion of the project, the measures and targets established were passed on to the departments, where they will undergo rigorous refinement and advancement. The new Sustainability Coordination Committee we launched in the year under review as part of the new governance structure is responsible for ensuring cross-divisional dialogue at operational level.

Despite the continuing challenges posed by the COVID-19 pandemic, we are pleased to report another successful business year, thanks in no small part to our employees’ hard work and commitment. Thus, we attach great importance to providing our employees with a working environment in which they feel safe and comfortable. To identify potential for improvement, and to get a feel for the mood within the Bank and the level of job satisfaction, we conducted a survey at the end of 2020. The results were published in March 2021 and showed that DZ HYP continues to be considered a good employer. Employees rated the handling of the COVID-19 pandemic and quick transition to working from home in the wake of the first lockdown in March 2020 as very successful. Survey participants particularly praised the technical implementation.

Based on the results of the employee survey, DZ HYP launched a “Culture Project” at the end of 2021, with the aim of developing a common understanding of what DZ HYP stands for, in order to remain attractive for clients and employees alike. Sustainability within the Company is also addressed. The results of this “Culture

Project” will become available in 2022, and we will then take action in line with these results.

Whatever changes may come, however, our traditions will always be a part of our corporate culture. In 2021 we celebrated our 100<sup>th</sup> anniversary. The originally planned grand ceremony in the Recital Hall of the Elbphilharmonie Concert Hall had to be broadcast as a live stream due to the pandemic. However, we are confident that we will make up for it at our anniversary celebration in the Bank’s founding city of Berlin this autumn with all our colleagues and co-workers. For here, too, it is clear that a 100-year success story would not have been possible without them.

In addition to our efforts to further embed the topic of sustainability in the Bank and within the Cooperative Financial Network, we also participated in a cross-sector initiative in 2021, the focus of which is to develop and establish standards that will enable us to measure the sustainability performance of real estate portfolios. This way we as a community contribute significantly to the reduction of greenhouse gas emissions and support the decarbonisation of the real estate sector. The joint effort with more than 100 industry partners is in line with our cooperative philosophy: that we are stronger together.

With this in mind, we would now like to present our tenth Sustainability Report, comprising the most important progress and goals in this area. We hope you enjoy the read.

Yours sincerely,



Dr Georg Reutter  
(CEO)



Sabine Barthauer



Jörg Hermes

The Management Board  
Hamburg/Münster, September 2022

# OUR COMPANY

## GRI 102: General disclosures

### GRI 102-1: Name of the organisation

DZ HYP AG

### GRI 102-2: Activities, brands, products, and services

DZ HYP is a leading provider of real estate finance and a major Pfandbrief issuer in Germany, as well as a centre of competence for public-sector clients within the Volksbanken Raiffeisenbanken Cooperative Financial Network. The Bank is active in three business segments: Corporate Clients, Retail Customers and the Public Sector. In its business activities, DZ HYP targets direct clients and acts as a partner to cooperative banks in Germany.

The Bank's central business policy role is to anchor real estate financing and public-sector lending in the Cooperative Financial Network, and to realise financing solutions together. To this end, DZ HYP offers the German cooperative banks an extensive and solution-oriented range of products and services, working hand-in-hand with them to cultivate the regional markets. In this context, both sides benefit from the partnership – DZ HYP from the direct contact with regional clients, and the German cooperative banks from the business relationships arising from developing the market throughout Germany.

## DZ HYP'S BUSINESS SEGMENTS



Corporate Clients

### Our target group:

Clients investing in real estate **in a commercial capacity and/or for investment purposes**, irrespective of their legal form

### Our offer:

- » Individual financings for investors, commercial and residential real estate developers, as well as the housing sector
- » Joint regional market coverage with the cooperative banks, via the IMMO META / IMMO META REVERSE / IMMO META REVERSE\* product family
- » Core segments: office, housing, retail  
Special segments: hotels, logistics properties, real estate for social purposes



Retail Customers

### Our target group:

**Consumers** (as defined in section 13 of the German Civil Code (BGB)) with financings up to €1 million **for properties of mainly residential use**

### Our offer:

- » Standardised private home loan financing, based on a framework agreement within the cooperative "VR-Baufi" product family
- » Efficient processes, with automated lending decision-making for cooperative banks (traffic light system) up to €1 million; 24-hour service level for applications with 'amber' status



Public Sector

### Our target group:

**Domestic public-sector entities**, their legally dependent **operations, special administrative unions and institutions under public law**

### Our offer:

- » Short-term municipal and public-sector loans

Full market coverage and clear client segmentation – as building blocks for a successful market presence

Within the Corporate Clients segment, DZ HYP is active both as part of its direct business and as a partner to the cooperative banks in Germany, working closely with commercial real estate investors and the housing sector. DZ HYP focuses on financing properties in the German market, as well as providing support for German clients' investment projects in selected international markets. Its commercial real estate finance activities are focused on the core segments of office, residential and retail properties. DZ HYP is also involved in the specialist segments of hotels, logistics and real estate for social purposes, within the scope of its credit risk strategy. Target clients are private and institutional investors, as well as commercial and residential real estate developers and the housing industry. As part of the Cooperative Financial Network, DZ HYP works closely with cooperative banks in their business with retail customers. DZ HYP's offering includes initial as well as roll-over financings for new construction, purchase and modernisation/refurbishment. Most of the business is intermediated by cooperative banks. As a centre of competence for public-sector clients within the Cooperative Financial Network, DZ HYP supports cooperative banks in developing their business with counties, towns/cities and local authorities, their legally dependent operations, municipal special public-law administrative unions and public-sector institutions. The core of our business is the granting of short-term public-sector loans and local authority loans.

Other services offered to the Cooperative Financial Network include the rating of commercial real estate clients and a municipal ranking that uses the latest data to provide information on the economic, budgetary and debt situation of the municipalities in the individual business regions, and the daily loan terms newsletter "VR-BaufiOfferte".

We also offer property valuations performed by our wholly-owned subsidiary VR WERT Gesellschaft für Immobilienbewertungen mbH. VR WERT appraises real estate for banks, organisations, investors and housing cooperatives. The range of services offered includes market and mortgage lending value appraisals, advice/consultancy on real estate matters and product audits of appraisals performed by German cooperative banks. Depending on what the client requests, mortgage lending values are calculated in accordance with the Regulation on the Determination of the Mortgage Lending Value or the uniform Valuation Directive 3.0 (Wertermittlungsrichtlinie 3.0) of the Cooperative Financial Network.

The company values properties financed by DZ HYP with a focus on the business with corporate clients, who require a particularly sophisticated and individual case analysis, as well as on privately owned properties.

» Annual Report 2021, p. 12 et seqq.

### **GRI 102-3: Location of headquarters**

DZ HYP's head offices are in Hamburg and Münster.

Rosenstrasse 2	Sentmaringer Weg 1
20095 Hamburg	48151 Münster
Germany	Germany
Phone: +49 40 3334-0	Phone: +49 251 4905-0

#### GRI 102-4: Location of operations

DZ HYP is represented nationwide, with two head offices in Hamburg and Münster, six real estate centres in the business hubs of Hamburg, Berlin, Düsseldorf, Frankfurt, Stuttgart and Munich, and a further five regional offices in Hanover, Kassel, Leipzig, Münster and Nuremberg. The decentralised structure gives DZ HYP regional proximity to local cooperative banks and their customers.



#### GRI 102-5: Ownership and legal form

DZ HYP is a stock corporation under German law. It is part of the DZ BANK Group and therefore part of the German Cooperative Financial Network.

#### GRI 102-6: Markets served

DZ HYP focuses on the German market, as well as providing support for German clients' investment projects in selected international markets.

DZ HYP offers the German cooperative banks an extensive and effective range of solutions in the form of products and services, working hand-in-hand with them to cultivate the regional markets. Cooperation opens up attractive opportunities for successfully tapping potential in real estate financing and public-sector lending.

» Business segments and services of DZ HYP, p. 4 et seq.

#### GRI 102-7: Scale of the organisation

DZ HYP is itself a part of the DZ BANK Group and therefore of the Volksbanken Raiffeisenbanken Cooperative Financial Network, which comprises 772 individual cooperative banks. In terms of total assets, the network ranks among the largest private financial services organisations in Germany. Within the Cooperative Financial Network, DZ BANK AG acts as the central institution, tasked with supporting the local cooperative banks' transactions as well as strengthening their competitive position. It also operates as a commercial bank, and exercises the holding entity function for the DZ BANK Group.

The DZ BANK Group comprises Bausparkasse Schwäbisch Hall building society, DZ HYP, DZ PRIVATBANK, R+V Insurance, TeamBank, Union Investment Group, VR Smart Finanz as well as various other specialist financial services providers. Together with their strong brands, the entities of the DZ BANK Group allow the Cooperative Financial Network to position itself as a one-stop shop for financial

products and services. The DZ BANK Group has organised its strategy and range of services for the cooperative banks and their customers along the lines of four business segments: Retail Banking, Corporate Banking, Capital Markets and Transaction Banking.

Combining banking services with insurance products, home loan savings and a range of investment services has a long tradition within the Cooperative Financial Network. The specialist institutions within the DZ BANK Group each offer highly competitive and appropriately-priced products in their respective area of expertise. This allows Germany's cooperative banks to offer their clients an end-to-end range of first-class financial services.

### DZ HYP – Part of a strong group



### ECONOMIC INDICATORS (in € thousand)

	2021	2020	2019
<b>Revenue<sup>1,2</sup></b>	<b>1,830,109</b>	1,839,406	2,030,245
<b>Value distributed</b>	<b>437,114</b>	444,057	393,341

<sup>1</sup> Aggregate figure of the items "Interest income from lending and money market transactions and fixed-income securities and debt register claims", "Current income from participations", "Income from profit-pooling, profit transfer or partial profit transfer agreements", "Commission income" and "Other operating income".

<sup>2</sup> Deviation from Sustainability Report 2020 due to shifts in the interest rate and commission components.

- » GRI 201: Economic performance, p. 13 et seq.
- » Annual Report 2021, p. 58



## GRI 102-8: Information on employees and other workers

### STAFFING INDICATORS

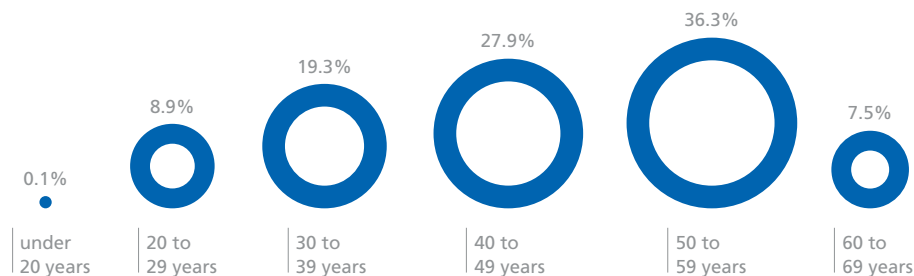
	2021	2020	2019
<b>Headcount (number of employees)<sup>1</sup></b>	<b>832</b>	819	870
<b>Contract type (number)</b>			
Temporary	15	20	25
Permanent	817	799	845
<b>Employment type (in %)<sup>2</sup></b>			
Full time	77.0	74.9	76.3
Part time	23.0	25.1	23.7

<sup>1</sup> Average for the year.

<sup>2</sup> Determined on the basis of average figures.

- » Other staffing indicators, p. 38 et seqq.
- » Annual Report 2021, p. 55

### EMPLOYEE AGE STRUCTURE



## GRI 102-9: Supply chain

The DZ BANK Group companies have been bundling their sustainability activities since 2010 with the overarching aim of jointly leveraging market opportunities, avoiding risks and also contributing towards benefitting society. Based on this core value, guidelines on sustainability in purchasing were developed at Group level in 2012 to define standard requirements for purchasing. They are laid down in sustainability standards for the DZ BANK Group's suppliers.

When it comes to procurement, we give preference to local suppliers and service providers that are located close to one of our offices. This results in short transportation routes and helps reduce CO<sub>2</sub> emissions.

- » Suppliers, p.17 et seq.

## GRI 102-10: Significant changes to the organisation and its supply chain

The year under review brought no significant changes to DZ HYP and its supply chain. The restructuring of our market activities in 2020, grouping them into the Corporate Clients, Retail Customers and Public Sector segments, has proven successful. The past two years have shown us that DZ HYP is built on solid foundations.

- » Business segments and services of DZ HYP, p. 4

## GRI 102-11: Precautionary principle or approach

Like all members of the Cooperative Financial Network, DZ HYP believes it has a duty to do business responsibly and sustainably. We apply a conservative risk strategy and we treat our clients and business partners with honesty, trust, and a sense of partnership.

The ability to identify, assess, manage, monitor and communicate risks is a key part of our business activities. We are guided by our principle of assuming risk only to the extent required to achieve the objectives of the respective business policy, and where there is an appropriate level of understanding and expertise at hand for measuring and managing those risks.

- » Risk Management, p. 25
- » Annual Report 2021, p. 34 et seqq.

#### **GRI 102-12: External initiatives**

In 2008, DZ BANK AG became a signatory to the Global Compact of the United Nations, thereby committing itself to the ten internationally acknowledged principles stipulated by the initiative for responsible conduct. In 2013, DZ HYP followed suit in taking up these principles: they span human rights, labour norms, protection of the environment and combating corruption.

DZ HYP has applied the framework developed by the Global Reporting Initiative (GRI), as amended, since 2013 and the GRI standards since 2019 in its sustainability reporting.

We value the diversity of our employees, and therefore decided to sign the German Diversity Charter in 2012.

When designing internship projects for students and school pupils, we adhere to the Fair Company Code.

Recognising that our human resources policy is designed to meet the needs of families, the non-profit Hertie Foundation awarded us the “audit berufundfamilie®” certificate in 2013 – which we still have to this day. The Bank has since regularly received the seal of quality, which has to be earned afresh every three years. A re-audit took place in June 2021 and applies to the two main locations in Hamburg and Münster.

- » Employee Matters, p. 38 et seqq.

We have been supporting the CLUB OF ROME school network with an annual donation since 2013. We were honoured as an educational partner for the schools in 2015, and in this role contribute to the implementation and expansion of the CLUB OF ROME school network activities at a national level. In addition, we serve as the host and financial backer of the annual meeting of the CLUB OF ROME schools.

- » Social Commitment, p. 48 et seq.

The Münster office was first certified under the ÖKOPROFIT programme in 2012, with biannual re-certifications ever since, most recently in 2020.

- » Ecological Responsibility, p. 50 et seq.

#### **GRI 102-13: Membership of associations and stakeholder groups**

- » National Association of German Cooperative Banks (BVR)
- » Cooperative Association Weser-Ems
- » Cooperative Association, Regional Association, Frankfurt/Main
- » Cooperative Association Baden-Württemberg
- » Cooperative Association Bavaria
- » German Cooperative and Raiffeisen Confederation (DGRV)
- » Association of German Pfandbrief Banks (vdp)
- » German Property Federation (ZIA)
- » Urban Land Institute (ULI Europe)
- » Association for Environmental Management and Sustainability in Financial Institutions (VfU)
- » German Investor Relations Association (DIRK)
- » Federal Association of German Housing and Real Estate Companies (GdW)
- » German Development Assistance Association for Social Housing (DESWOS)
- » European Covered Bond Council (ECBC)

### GRI 102-14: Statement from senior decision-maker

» Letter from the Management Board, p. 2 et seq.

### GRI 102-15: Key impacts, risks and opportunities

DZ HYP firmly believes that the ecological and social challenges that society is facing require a more forceful economic transition towards sustainability. A sound and stable environment is the basis of human existence; it is also a basic requirement for every type of business activity. We agree with the Brundtland Commission Report that we must satisfy the needs of today's generations and offer them fair opportunities for development – without compromising the chances of future generations or threatening our natural livelihood.

Bringing ecological, economic and social responsibility together has been part of our corporate culture since day one. In pursuit of sustainable success, we take a long-term approach to business. We use natural resources sensibly and efficiently, and we monitor the changes underway in politics, society, the markets and technology, analyse them and eventually adjust our business activities to enshrine them.

Our governing principles are laid down in our sustainability strategy, which is aligned with DZ HYP's overall strategic framework and makes clear what our responsibility is – and what we mean when we talk about sustainable development. External agencies have honoured our efforts with good sustainability ratings.

As a major real estate financier in Germany, DZ HYP is active in a business segment that produces nearly 40 per cent of global energy-related CO<sub>2</sub> emissions, according to a study by the UN Environment Programme. This means that there is huge potential for the real estate sector to play a major part in combating climate change. It is against this background that DZ HYP would like to support the transi-

### The Cooperative Basic Value of Aiding Empowerment

When Friedrich Wilhelm Raiffeisen and Hermann Schulze-Delitzsch founded the first financial cooperatives – in Germany, more than 160 years ago – little did they know that they were writing the first pages of a tremendous success story. Today, financial cooperatives are deeply rooted in many markets. While they come in different structures, they have one thing in common: their members are owners and clients at the same time. This principle is the main differentiation between cooperatives and other forms of cooperation.

In cooperatives, people unite voluntarily to engage in economic activity together and advance their members' business activities in their own right, i.e. not accepting third-party or governmental support. It is this advancement – and not the distribution of yield – that is given priority.

Fundamental decisions are taken by the general meeting, where every member has one vote, irrespective of their equity stake. This is to protect democratic principles, to avoid individual majority owners dominating and to prevent an unsolicited takeover.

Every cooperative is also a member of an Auditing Association. These associations advise their members where needed, and audit the financial condition as well as the regularity of the management. Against this background, cooperatives have been by far the most bankruptcy-proof legal structure that Germany has to offer for many years.

[www.genossenschaften.de](http://www.genossenschaften.de) (available in German only)

tion towards a low-carbon economy by assuming a key role in the development of a sustainable financial system, and it does so through its core business. DZ HYP finances energy-efficient properties, and it enables cooperative, church and municipal bodies to build affordable housing in Germany.

The resources required to provide financings for energy-efficient properties have been mainly generated through Green Pfandbrief issues since February 2022. Pfandbrief issues not only help create transparency on the ecological quality of the Bank's loan portfolio, but also offer Pfandbrief investors the opportunity to make targeted investments in the transformation of the real estate sector and the transition towards a low-carbon economy.

- » Sustainability Strategy, p. 19 et seqq.
- » Annual Report 2021, p. 33 et seqq.

### GRI 102-16: Values, principles, standards and norms of behaviour

Good corporate governance requires compliance with legal and regulatory regulations, voluntary commitment and internal guidelines (compliance), the responsible management of risks (risk management), protection of the Bank's reputation, and the implementation of transparent business processes. Our Corporate Governance policy provides a framework that spans all legal concerns and operational principles.

As a member of the Cooperative Financial Network, the cooperative basic values of aiding empowerment, individual responsibility and independent operations are cornerstones of our activity, flanked by a sustainable business model that takes staff and society's needs into account. We respect and safeguard the environment,

and make responsible use of the resources available. We support the transition of economy and society towards a greater degree of sustainability, and endorse the Paris Agreement, Germany's Climate Action Plan 2050 from 2016, and the Federal Government's Sustainability Strategy.

As a UN Global Compact participant, we are committed to the ten internationally acknowledged principles stipulated by the initiative for responsible conduct.

We define responsible corporate governance to include not only adherence to legal standards and requirements, but also to values and principles, together with clear and transparent management.

- » DZ BANK AG's Communication on Progress for the UN Global Compact
- » Responsible Corporate Governance, p. 15 et seqq.

As a leading real estate financier in Germany and competence centre for public-sector clients within the Cooperative Financial Network, we are able to contribute indirectly to the achievement of the Sustainable Development Goals (SDGs) with our loans. For this reason, we have set ourselves the objective of systematically analysing the potential of using SDGs as a benchmark for companies and investors, as well as examining the impact of our own business activity on the future achievement of the goals. We follow the World Green Building Council in our SDGs:



- » World Green Building Council

One of the key goals for us is 11: Sustainable Cities and Communities. DZ HYP offers financing solutions for energy-efficient real estate, enabling cooperative and municipal housing companies, as well as those owned by the church, to provide affordable housing, and also empowering smaller municipalities to invest in public infrastructures so that the public provision of services is guaranteed.

To create more transparency on where DZ HYP stands on individual SDGs, we have worked on what we call “SDG mapping”: we calculate the positive effects we expect our financings to have on individual SDGs.

Our practical understanding of integrity and an ethical corporate culture is clearly stated in our Group-wide Code of Conduct, which is binding for all employees.

» [Our Code of Conduct](#)

### **GRI 102-18: Governance structure**

At DZ HYP, we apply a model of dual leadership. A Management Board of three people leads the Company according to existing statutory provisions, ensuring compliance within DZ HYP. In turn, the Supervisory Board and its committees advise and monitor the Management Board.

The Bank’s internal regulations – for example the Articles of Incorporation and the Rules of Procedure of corporate bodies – comply with legal requirements. There were some personnel changes within the Management Board in 2021. At the end of 2020, Mr Manfred Salber retired after almost 14 successful years at the Bank. His successor is Ms Sabine Barthauer, who joined the Management Board on 1 January 2021.

Concerning DZ HYP’s risk governance, the Management Board has the sole management authority. The Management Board is responsible for managing and monitoring risks of the entire Bank at a portfolio level, as well as for the allocation of risk capital. It decides upon individual loan exposures in line with its lending authority. In addition, DZ HYP is integrated into the committee structures of the DZ BANK Group and the Cooperative Financial Network, where DZ HYP’s Management Board members or other employees are represented.

The Supervisory Board by its very nature concerns itself with matters such as the business and risk strategies or the Bank’s performance and risk management, amongst others. During the year under review, the Supervisory Board of DZ HYP and its committees monitored the Management Board’s management of the Bank in accordance with statutory regulations and those set out in the Bank’s Articles of Incorporation, and also took decisions on those transactions required to be presented to the Supervisory Board for approval.

To fulfil its tasks, the Supervisory Board engaged a Nomination Committee, a Remuneration Oversight Committee, an Audit Committee, and a Risk Committee during the 2021 financial year. These committees met several times in 2021 and their respective chairpersons reported to the Supervisory Board on the committees’ work on a regular basis. The Supervisory Board convened three times during the 2021 financial year.

The self-evaluation carried out by the Supervisory Board in the period from April to May 2021 and evaluation of the DZ HYP Management Board led to the conclusion that the structure, size, composition and performance of the Supervisory Board and the Management Board as well as the knowledge, skills and expertise of the individual members of the Supervisory Board and of the Management Board as well as of both bodies in their entirety, are in line with legal requirements and those set out in the Articles of Incorporation. Under the coordination of the newly-elected external auditor, an internal training on banking-specific issues was held for the Supervisory Board members in 2021.

As set forth in the Articles of Incorporation, the Supervisory Board of DZ HYP consists of 18 members. In accordance with the German Act to Simplify the Election of Employee Representatives to the Supervisory Board (*Drittelbeteiligungsgesetz* – “DrittelbG”), it comprises twelve members elected at the Annual General Meeting and six members elected by employees. Most of the shareholder representatives on DZ HYP’s Supervisory Board are management board members of cooperative banks. A list of Supervisory Board members, as well as information about their remuneration, is included in DZ HYP’s Annual Report.

As of 1 January 2021, there were 17 active members on the Supervisory Board, with one shareholder representative seat remaining vacant. Two other members retired at the end of the 2021 Annual General Meeting, when three new shareholder representatives were elected to the Supervisory Board. One member retired during the course of the year. As of the reporting date, there were once again 17 active members on the Supervisory Board, with one shareholder representative seat remaining vacant.

The Management Board informed the Supervisory Board about the sustainability strategy and the sustainability project at DZ HYP in June 2021. In meetings of the Advisory Board – Banks and Advisory Board – Housing Sectors, both held in April 2021, DZ HYP’s Sustainability Officer reported on those matters.

- » Advisory Boards, p. 26
- » Annual Report 2021, Report of the Supervisory Board, p. 98 et seqq.
- » Sustainability Strategy, p. 19 et seqq.
- » Sustainability project, p. 24

## GRI 201: Economic performance

### GRI 201-1: Direct economic value generated and distributed

#### ECONOMIC INDICATORS (in € thousand)

	2021	2020	2019
<b>Revenue<sup>1,2</sup></b>	<b>1,830,109</b>	1,839,406	2,030,245
<b>Value distributed</b>	<b>437,114</b>	444,057	393,341
Other administrative expenses	<b>151,164</b>	158,446	154,711
Wages and salaries	<b>74,957</b>	71,806	75,177
Compulsory social security contributions and expenses for pensions and other employee benefits	<b>18,635</b>	14,963	15,576
Payments to providers of capital <sup>3</sup>	<b>66,902</b>	72,791	66,089
Payments to government <sup>4</sup>	<b>125,456</b>	126,051	81,788

<sup>1</sup> Aggregate figure of the items “Interest income from lending and money market transactions and fixed-income securities and debt register claims”, “Current income from participations”, “Income from profit-pooling, profit transfer or partial profit transfer agreements”, “Commission income” and “Other operating income”.

<sup>2</sup> Deviation from Sustainability Report 2020 due to shifts in the interest rate and commission components.

<sup>3</sup> Aggregate figure of the items “Profits transferred under profit transfer agreements” and “Profits transferred under partial profit transfer agreements.”

<sup>4</sup> Primarily tax allocation to the controlling company.

### DZ HYP's new business

The COVID-19 pandemic again affected the mood on the German real estate markets in the year under review, while financing conditions for real estate remained favourable in this second pandemic year thanks to persistently low interest rates. It is remarkable how robust and resistant the market proved to be. This is due to high transaction volumes for both commercial real estate investments and the private housing market. Purchase prices and rents for residential properties in Germany continued to rise. Overall, DZ HYP generated €12,048 million in new business (2020: €10,736 million).

#### VOLUME (€ mn)

	2021	2020	2019
Corporate Clients	8,736	8,039	10,327
Retail Customers	2,730	2,066	1,841
Public Sector	582	631	717
<b>Total</b>	<b>12,048</b>	<b>10,736</b>	<b>12,885</b>

### GRI 201-2: Financial implications and other risks and opportunities due to climate change

We face questions of sustainability in our lending business every day. The criteria we apply to our commercial real estate projects when making investment decisions comprise both strict risk and return considerations, and social and environmental aspects.

Investments in the private real estate portfolios – both in new buildings and renovation measures – ensure an increase in energy efficiency. Sustainable investments such as these will usually be combined with special loans granted by KfW, the German government-owned development bank, as part of one of its promotional programmes.

The DZ BANK Group expanded its reporting to include greenhouse gas emissions generated during commuting, events, in mail dispatch and home working, and set a new target for CO<sub>2</sub> reduction. The DZ BANK Group undertakes to cut its aggregated greenhouse gas emissions by 65 per cent by 2030, and to be climate-neutral by 2045. Climate neutrality by 2045 is the Group-wide minimum. This is how we intend to support the Federal German Government's Climate Action Plan and the UN's Paris Agreement.

### GRI 201-3: Defined benefit plan obligations and other retirement plans

#### EMPLOYEE EXPENSES

	2021	2020	2019
Employees with company pensions (in %)	81.2	89.2	96.0
Provisions for pensions and similar obligations (in € thousand)	215,056	198,083	185,601
Wages and salaries (in € thousand)	74,957	71,806	75,177
Compulsory social security contributions and expenses for pensions and other employee benefits (in € thousand)	18,635	14,963	15,576
Of which company pension schemes (in € thousand)	7,510	4,691	4,556
Other social expenses (in € thousand)	11,125	10,267	11,000

- » Annual Report 2021, p. 58 et seqq.
- » Other staffing indicators, p. 38 et seqq.

# Responsible Corporate Governance

## GRI 103: Management approach (covering 103-1, 103-2, 103-3)

### GRI 205: Anti-corruption

### GRI 206: Anti-competitive behaviour

### GRI 412: Human rights assessment

Sustainable economic management requires compliance with all applicable legal requirements and provisions, regulations, voluntary commitment as well as internal guidelines. As a member of the UN Global Compact, we follow its principles. We are also committed to the 2030 Agenda for Sustainable Development.

Our practical understanding of integrity and an ethical corporate culture is clearly stated in the Code of Conduct we prepared together with all other DZ BANK Group companies. All DZ HYP employees are bound by the Code, which combines our internal principles with external market standards and reaffirms our commitment to sustainability.

» [Our Code of Conduct](#)

As a financial services provider, reputational protection is of particular importance to us. Preventing corruption, bribery, money laundering, terrorist financing and criminal acts are therefore amongst the core principles of our business activity.

DZ HYP's Compliance Office, which bundles significant second line of defence functions, reports directly to the Management Board. It combines MaRisk compliance and capital market compliance as well as the Central Unit encompassing anti-money laundering and fraud prevention (Anti-Money Laundering Officer). The Compliance Office is tasked with implementing and developing Bank-wide guidelines, exercising a supervisory function and advising our business entities on implementation and compliance with regulatory requirements.

» [GRI 205: Anti-corruption, p. 16](#)

Compliance also houses our complaints management system that enables us to record any client complaints and manage them systematically. Our clients, our partners in the Cooperative Financial Network and other third parties may submit a complaint by phone, email or in person. All complaints received are reviewed by the responsible divisions in a timely manner. In general, we seek to resolve misunderstandings and difficulties at an early stage and through direct talks – and to find individual solutions.

To prevent white-collar crime and deter unauthorised influence from being exercised on our employees, DZ HYP has also instituted a whistleblowing system. Through this system, employees can relay information about non-compliant practices, serious violations or other failings to an internal ombuds office – confidentially, and without their name being disclosed.



As the number of working steps being digitalised and the amount of information provided electronically increase, the need to protect personal data and use thereof solely for its intended purpose grows. In our ongoing digitalisation campaigns we continuously advance our security measures to remain on top of technological developments. The EU's General Data Protection Regulation is of course being adhered to.

» GRI 418: Protection of client data, p. 36

## **GRI 205: Anti-corruption**

### **GRI 205-1: Operations assessed for risks related to corruption**

The Anti-Money Laundering Officer (Central Unit) ensures appropriate risk management and internal safeguards to prevent money laundering, terrorist financing and criminal acts that could endanger the Bank's assets. The Anti-Money Laundering Officer is responsible for compliance with money laundering rules and regulations, as well as for fulfilling the above-mentioned requirements to prevent criminal activities, and is supported in this by the Corporate Compliance department / Central Unit. A dedicated monitoring system and other control procedures help us keep watch for suspicious business relationships and transactions throughout the Bank.

Furthermore, our anti-money laundering and fraud prevention department cooperates closely with Risk Controlling's operational risk group to identify, assess and manage risks. With uniform instruments for the identification of operational risks and processing feedback from risk analyses, DZ HYP ensures that the risk of losses is minimised and eliminated at an early stage.

### **GRI 205-2: Communication and training about anti-corruption policies and procedures**

When they join the Bank, all employees receive training on legal provisions, internal arrangements as well as the methods applied in money laundering, terrorist financing and criminal activities. This does not apply to employees in the canteen as well as temporary workers, working students, interns who work for DZ HYP for up to three months. Refresher courses are mandatory every two years or when duties change. A system for reporting suspicious activities is in place.

### **GRI 205-3: Confirmed incidents of corruption and actions taken**

There were no known cases of corruption for 2021 at DZ HYP.

## GRI 206: Anti-competitive behaviour

### GRI 206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

There were no legal actions against DZ HYP in 2021 concerning anti-competitive behaviour, anti-trust, and monopoly practices.

## GRI 412: Human rights assessment

### GRI 412-1: Operations that have been subject to human rights reviews or impact assessments

As DZ HYP's business activities are focused on Germany, human rights abuses such as child and forced labour are not an issue. Further topics such as equal treatment, freedom of association and collective bargaining, anti-discrimination or data protection are addressed in internal regulations, prevailing principles and the Group's Code of Conduct.

### GRI 412-2: Employee training on human rights policies or procedures

Our employees receive regular training on the German General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz – "AGG"), and the training applies to our executive staff in particular. New employees receive this training at the very start of their career with DZ HYP. In the year under review, no violations or complaints regarding non-compliance with the German General Equal Treatment Act were registered.

# Suppliers

## GRI 103: Management approach (covering 103-1, 103-2, 103-3)

### GRI 204: Procurement practices

### GRI 308: Supplier environmental assessment

### GRI 414: Supplier social assessment

### GRI 408: Child labour

### GRI 409: Forced or compulsory labour

DZ HYP also applies economic, environmental and social criteria when choosing its suppliers, based on Group-wide sustainability standards for suppliers established in 2012. They are aligned with the principles stipulated by the Global Compact of the United Nations, the Code of Conduct published by the German Association for Supply Chain Management, Procurement and Logistics (BME), as well as the relevant conventions of the International Labour Organization (ILO).

DZ HYP gives preference to local suppliers and service providers: that means, quite simply, they are located close to one of our offices. All suppliers with an aggregate revenue that exceeds a fixed threshold will be reviewed for sustainability criteria and how open they are towards taking further measures to meet or improve upon these criteria. During the year under review, we decided to implement "EcoVadis" in early 2022. This sustainability software enables an assessment of our suppliers based on in-depth sustainability analyses focusing on environmental matters, labour and human rights, ethics and sustainable procurement. This allows us to spot risks in the supply chain at an early stage, and react quickly in case of infringements.

For the companies of the DZ BANK Group, compliance with their sustainability standards is a must for any business relationship. An incident of non-compliance will lead to a specific action plan being developed together with the supplier in question, including an escalation scheme that – in extreme cases – may lead to the termination of the business relationship.

Joint suppliers will only need to present their sustainability activities to one DZ BANK Group company going forward. The results are then shared in the Group.

» Sustainability requirements for the DZ BANK Group's suppliers

## **GRI 204: Procurement practices**

### **GRI 204-1: Proportion of spending on local suppliers**

In the year under review, we sourced more than 98.8 per cent of our products and services from German suppliers (based on our total business volume).

## **GRI 308: Supplier environmental assessment**

### **GRI 414: Supplier social assessment**

#### **GRI 308-1: New suppliers that were screened using environmental criteria**

#### **GRI 414-1: New suppliers that were screened using social criteria**

DZ HYP requires its suppliers to comply with the DZ BANK Group's sustainability standards for suppliers. When it comes to environmental responsibility, we expect our contractors to ensure they are taking reasonable action to protect the environment and to comply with local and national legal requirements at the very least.

Furthermore, they should have an established environmental management system in place to develop and take measures in order to systematically reduce the impact on the environment.

In terms of social criteria, we require contractors to respect human rights, not to tolerate any child and forced labour, to guarantee fair compensation and fair working conditions, to grant employees freedom of association and the right to collective bargaining, to take relevant measures to ensure occupational health and safety in the workplace and to rule out any form of discrimination as well as refrain from engaging in corruption or bribery.

## **GRI 308-2: Negative environmental impacts in the supply chain and actions taken**

### **GRI 414-2: Negative social impacts in the supply chain and actions taken**

No actual or potentially negative repercussions for the environment and/or negative impacts in terms of human rights or society or in terms of working practices were identified in the year under review.

## **GRI 408: Child labour**

### **GRI 409: Forced or compulsory labour**

#### **GRI 408-1: Operations and suppliers at significant risk for incidents of child labour**

#### **GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour**

As our business activities are focused on Germany and as most of our suppliers are local, human rights abuses such as child and forced labour are not an issue.

# SUSTAINABILITY STRATEGY

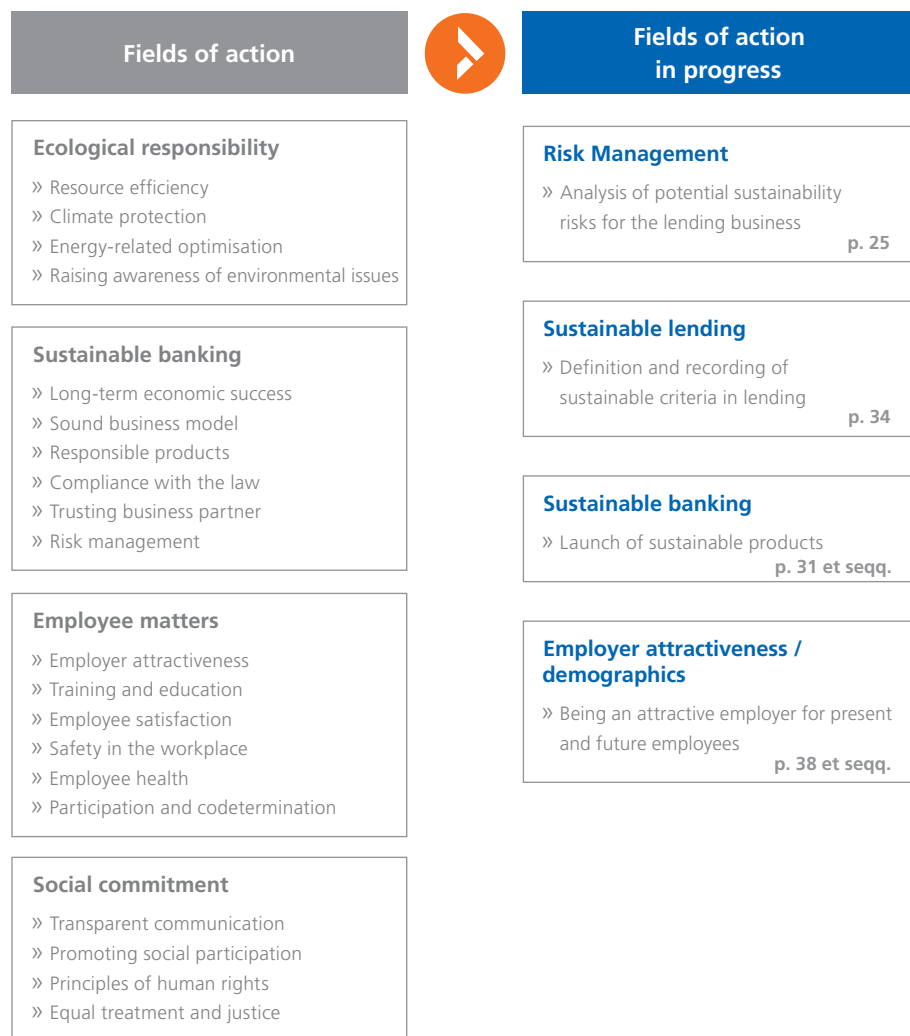
For DZ HYP, sustainability is a multi-layered issue that has been growing and evolving constantly over recent years. We are closely following the current national and European debate on how to create a more sustainable financial sector. Moreover, we continuously monitor the changes underway in politics, society, the markets and technology, analyse them and eventually adjust our business activities to enshrine them. Against this backdrop we analyse and revise our sustainability strategy and targets, as well as related Bank processes, every year.

In February 2020, DZ HYP put together a task force, comprising colleagues from the Finance, Treasury, Risk Controlling and Sustainability departments, and then – based on the groundwork laid by the task force – launched a Bank-wide project in September 2020 to further refine our sustainability activities. A significant milestone in the year under review was the adaptation of our existing sustainability strategy. As a result, DZ HYP's sustainability profile was specified, and we laid the foundations for issuing a Green Pfandbrief. DZ HYP also developed a methodology for identifying sustainable properties, which also takes into account current market standards. The sustainability requirements were integrated into the new business process in the Corporate Clients segment, the corresponding process structures were created, and a significant proportion of the portfolio was classified. The project was completed in September 2021. We now leverage this momentum in our departments, to further promote the Bank's sustainable development. DZ HYP's first Green Pfandbrief was successfully placed on the market in February 2022.

As a member of the DZ BANK Group, DZ HYP is committed to the fundamental cooperative concept of responsible business practices. We see ourselves as an active member of society, and are aware that the decisions we make significantly influence the environment in which we move, live and work. That is why we strive to base DZ HYP's success on a sustainable business model that serves the needs of our employees, society, and the conservation of our environment and climate. In doing so, we agree with the Brundtland Commission Report that we must satisfy the needs of today's generations and offer them fair opportunities for development – without compromising the chances of future generations or threatening our natural livelihood. In this context, the Ten Principles of the UN Global Compact and the United Nations Sustainable Development Goals (SDGs) play a major role for us.

Another point of reference is the German government's sustainability strategy, which was further specified following adoption of the United Nations 2030 Agenda for Sustainable Development. In an ambitious response to this, the companies of the DZ BANK Group adopted their own climate strategy in 2018.

- » Climate strategy, p. 50
- » GRI 102-44: Key topics and concerns raised, p. 29 et seq.
- » GRI 102-46: Defining report content and topic boundaries, p. 59 et seq.



Sustainability plays a central role for both the Bank's governance and business strategy, and affects many other strategies. Our strategy for sustainability does not contradict other strategies, but rather influences them, and is agreed upon with the respective departments. It serves as a guide for identifying areas of action and suitable measures for sustainability management. It also comprises governing principles and makes clear what our responsibility is – and what we mean when we talk about sustainable development. When we conduct the annual sustainability strategy update, a particular focus lies on the defined ambition thresholds. Our goal is to integrate sustainability to an even greater extent into our core business.

The diagram to the left lists our key fields of action. The targets of our sustainability activities are pursued and developed at department level as part of “departmental sponsorships”. More information about this and about the measures taken in the context of sustainability management can be found in subsequent chapters.

- » Sustainable Banking, p. 31 et seqq.
- » Employee Matters, p. 38 et seqq.
- » Ecological Responsibility, p. 50 et seqq.
- » Social Commitment, p. 48 et seq.

In the year under review, we continued to integrate sustainability into the corporate structure. The Sustainable Products Committee provides impetus for the development of sustainable products (on both the asset and the liabilities sides) and analyses the banking market with regard to trends and developments. The Sustainability Coordination Committee is responsible for cross-departmental management and coordination. Detailed information on the organisational implementation is provided in the “Sustainability governance” section.

- » Sustainability governance, p. 22 et seq.

The demographic concept that we adopted in 2019 was elaborated in greater detail in the year under review, and individual measures were implemented. The concept focuses on four fields of action: HR planning, talent acquisition, staff loyalty and employee health. In 2020, as part of the “Focus 2020” project, the Management Board defined a target level of 25 per cent for the proportion of women in DZ HYP’s first-level and second-level management positions, which is to be achieved by 30 June 2024.

» Demographic management, p. 38 et seqq.

As part of a programme to modernise the buildings at DZ HYP, renovation work started at the head offices in Hamburg and Münster in 2018 and 2019, respectively. In Hamburg, construction work was completed by mid-2021; in Münster, the end of the first construction phase was finalised when the DZ HYP Tower was completed in November 2020. The base building was ready to open its doors in the spring of 2022.

Modern co-working spaces and quiet retreat areas have been created at both head offices. In Hamburg, the 5th floor has been converted into a full storey with a state-of-the-art conference and boardroom area. The construction measures in Hamburg also involved renovation of the façades to improve energy efficiency, the installation of a sophisticated window system with smart shading, together with the introduction of a co-generation unit and a green roof with photovoltaic panels. The energy efficiency measures allowed us to maintain consumption per square metre at the previous year’s level despite a relatively cold December. Electricity generated at the co-generation unit contributes approximately 40 per cent to the building’s overall power demand; the photovoltaic installations contribute around 10 per cent. Certification of the entire building project by the German Sustainable Building Council (DGNB) took place in the spring of 2022. The Bank expects to achieve a “Silver” certificate.

» Ecological Responsibility, p. 50 et seqq.

In Münster, all floors of the tower were completely refurbished and converted to allow for contemporary office use as a multi-tenant property. Principal measures included the installation of new air conditioning and heating technology and replacement of the entire façade, which should considerably reduce energy consumption. As well as saving energy, the refurbishment has created state-of-the-art workplaces. The individual floors of the tower have been designed as seven distinct office units, with separate infrastructure. The office areas allow for flexible use as either open-plan or individual offices. As a next step, the base building is undergoing renovation. A prestigious entrance on Sentmaringer Weg, training rooms, a restaurant for staff, tenants and external guests on the ground floor, as well as a separate access route for the indoor bike parking spaces (which are located close to showers and changing rooms for cyclists), turn the communal areas into a high-quality and future-proof office location, too. The modernisation work provides an opportunity for the building to be certified by the German Sustainable Building Council (DGNB). The Bank is aiming for a “Gold” certificate.

DZ HYP has been using its own TV studio at the Hamburg office for internal and external broadcasts since 2020. Participating in digital events saves time and resources, and is therefore a major asset for DZ HYP’s sustainability efforts. As in the previous year, due to the pandemic our regular series of sustainability lectures was transferred to DZ HYP’s studio. This series is intended to bring the issue of sustainability and all its different facets closer to our employees. After a focus on “Sustainability and financial markets” in 2020, the presentation in the year under review – “Building a climate-positive future” – examined the challenges and opportunities of sustainable construction.

# Sustainability Management

Due to its importance, the overarching responsibility for sustainability lies with DZ HYP's Management Board. All sustainability activities are coordinated by IT, Organisation and Operations. Central point of contact for both internal and external stakeholders is DZ HYP's Sustainability department, which is responsible for both head offices, promotes the Bank's transformation process to become more sustainable, and manages all activities. In addition, the department is responsible for implementing sustainability activities into the Bank's operations, and – together with the Department Head – it regularly reports to the Management Board on internal and external developments. The Sustainability department is also the point of contact for other departments in the event of issues arising that are related to sustainability. It monitors all actions, and makes suggestions regarding the advancement of the sustainability programme in conjunction with the affected segments. The Sustainability department works closely with Sustainability Communications, which is part of the Communications, Marketing & Events department, and is responsible for internal and external communications and reporting for all matters related to sustainability.

In addition, representatives of all DZ BANK Group companies work together under coordinated framework conditions to pool sustainability activities, to take advantage of market opportunities and to avoid risks. One of the many results of this cooperation is the Group-wide climate strategy.

» Climate strategy, p. 50 et seqq.

## Sustainability governance

Whilst responsibility for sustainability at DZ HYP lies with the Management Board, the topic is also addressed across all management levels and departments. This principle was strengthened with the establishment of a Sustainability Committee in 2019. This Committee, which is composed of the Management Board and Department Heads, creates the optimum framework for the Bank to pursue a sustainable approach. The aim is to improve DZ HYP's sustainability performance. This includes the strategic development of DZ HYP's sustainability projects and targets, the exchange across departments, and the evaluation of risks and opportunities which emanate from current developments in the context of sustainability.

The Sustainability Committee meets several times a year. Participants in the meetings provide feedback from their department's perspective. This ensures that how we handle sustainability is tailored to DZ HYP's situation, and that decisions made can subsequently be implemented in the departments. At the same time, this approach ensures that the departments are actively involved in upcoming tasks.

The Sustainable Products Committee provides the impetus for new products and monitors them. It comprises relevant decision-makers from the Lending, Treasury, Cover Pool Management, Legal and Sustainability (chair) departments, and meets once a month. The Committee members take care of the real estate valuation process, including revision of the methodology and the selection of properties eligible for sustainable funding, while taking the current regulatory requirements into account. They also provide impetus for the development of further sustainable products (on both the asset and the liabilities sides) and examine the banking market for trends and developments.

The Sustainability Coordination Committee ensures that sustainability issues are aligned and managed across departments, and identifies activities in the different fields of action. The Committee meets a least once a month, and comprises sustainability experts from the various departments.



» GRI 102-18: Management structure, p. 12 et seq.



## Sustainability project

The Bank-wide project to refine our sustainability activities was launched in September 2020. In a first step, DZ HYP's sustainability strategy and sustainability governance were revised by the end of June 2021, and foundations laid for the issue of a sustainable funding product ("Green Pfandbrief"). The initial focus was on the commercial real estate portfolio. The second half of the year saw the operationalisation of the sustainability strategy, adjustments to the Bank's management, and expansion into other DZ HYP portfolios. The project was made up of five sub-projects, comprising representatives from the Sustainability Management, Front and Back Office, Corporate Clients, Treasury, Finance, Risk Controlling, and Communications departments.

- » The Inventory & Potential Analysis sub-project used a portfolio analysis to determine the ambition threshold, which was then directly incorporated into the sustainability strategy.
- » The Lending sub-project focused on the integration of sustainability data into our processes.
- » The ESG Funding Products sub-project established all the requirements to pave the way for a successful issue of our Green Pfandbrief in February 2022.
- » The focus of the Bank Management sub-project was on risk controlling and modelling, disclosure and the classification of products and clients according to the EU Taxonomy.
- » The Communications sub-project was responsible for communication measures in order to raise awareness for the project within the Bank. These measures were intended, in a first step, to impart knowledge, and to inspire and mobilise employees on the issue of sustainability.

The project helped DZ HYP to better integrate sustainability at DZ HYP and to promote the Bank's sustainable development. In the third quarter of 2021, the sub-projects – unless already completed – left the project structure and were moved to the respective departments.

## Sustainability at the DZ BANK Group

DZ HYP has been actively taking part in the DZ BANK Group's sustainability initiative since 2012, in order to enable a stronger Group-wide integration of sustainability into the business processes. The objective is to pool all activities related to sustainability, to take advantage of market opportunities, to avoid risks and to maintain a lively exchange of experience and information with Group companies. To this end, a permanent Group Corporate Responsibility Committee (GCRC) was formed in 2014, of which DZ HYP is a member. For an even closer exchange regarding sustainability at Group level, the GCRC has been expanded to include Department Heads. As a next step, the structured completion of the set of tasks proposed for the GCRC is expected to lay the foundations for transforming the GCRC into a committee that also involves the Management Board. The results of this collaboration have included, for example, the introduction of a Group-wide database structure, common supplier standards, and the development of a policy on sustainability in lending, as well as the climate strategy. DZ HYP's Sustainability department represents the Bank within the GCRC, as well as within the Centre of Competence for Environmental Matters (KCU) of the DZ BANK Group.

## Risk Management

As a member of the German Cooperative Financial Network, DZ HYP believes it has a duty to conduct business responsibly and sustainably. We apply a conservative risk strategy, forge long-term business relationships and treat clients with honesty, trust, and a sense of partnership.

Identifying, assessing, managing, monitoring and communicating risks is a key part of our business activities. As a guiding principle for all of its business activities, the DZ BANK Group – and therefore DZ HYP – assumes risk only to the extent required to achieve the objectives of its business policy, and where there is an appropriate level of understanding and expertise at hand for management and control of those risks.

DZ HYP's Management Board has defined a risk appetite statement which is in line with Group guidelines. For us, the term "risk appetite" denotes the type and scope of risks that we are willing to take – within the limits of our risk capacity – in order to implement our business model and achieve our business targets. Based on risk policy guidelines and our risk strategy, we have put a risk strategy framework and risk strategies for material risks in place.

Each of these risk strategies cover

- » the material risk-bearing business activities,
- » the risk management objectives (including provisions concerning risk acceptance and avoidance),
- » as well as action to achieve these objectives.

These strategies are being examined annually in terms of adjustment requirements and discussed with the Supervisory Board's Risk Committee.

The regulatory organisational requirements and allocation of risk management responsibilities are set out, in particular, in the German Banking Act (*Kreditwesengesetz* – "KWG"), the Minimum Requirements for Risk Management (*Mindestan-*

*forderungen an das Risikomanagement* – "MaRisk") and the German Regulation on Remuneration in Financial Institutions (*Institutsvergütungsverordnung* – "InstVergV"). DZ HYP considers these requirements, adapting its relevant processes to the specific needs of its business model and considering the specific requirements of the Group waiver. To implement its risk appetite, the Bank has introduced a comprehensive risk governance system incorporating transparent, clear responsibilities and an appropriate communications framework. It takes account of regulatory requirements, DZ HYP's risk preferences, and the requirements resulting from its integration into the DZ BANK Group. This forms the basis for ensuring the proper operation and effectiveness of the risk management and risk control processes.

» Annual Report 2021, Risk Report, p. 34 et seqq.

Furthermore, as a Pfandbrief issuer we have a risk management system in place that is appropriate for Pfandbrief business, and identifies, assesses, manages and monitors all risks associated with it. The high quality of the Pfandbrief also rests in the strict requirements with regards to the cover assets pool: pursuant to the German Pfandbrief Act (*Pfandbriefgesetz* – "PfandBG"), only mortgage loans, and only up to the first 60 per cent of the mortgage lending value, are eligible as cover pool assets for Mortgage Pfandbriefe. Therefore, the Pfandbrief is in every sense a long-term funding vehicle that meets investors' security and transparency criteria – even in difficult capital market phases. This claim is underscored by the fact that no Pfandbrief has ever defaulted since their introduction 250 years ago.

In line with the DZ BANK Group's credit risk strategy, we have defined the cases in which we rule out lending in our own credit risk strategy. This ensures that minimum requirements on environmental, social and corporate governance criteria are met.

One of the services offered to the German Cooperative Financial Network is the valuation of properties performed by our wholly-owned subsidiary VR WERT, which is essential not only for conducting pricing commensurate with risk, but also for guaranteeing the portfolio quality of the loans.

# Stakeholder Engagement

## GRI 102-40: List of stakeholder groups

Our stakeholders include DZ HYP's employees, the German cooperative banks as our partners in the Cooperative Financial Network, along with direct clients, housing companies, capital markets investors, and other business partners of the Bank. We regularly engage with analysts and investors, associations, the media, political decision-makers, academia as well as NGOs. Suppliers and service providers are of high economic relevance as well.

## GRI 102-42: Identification and selection of stakeholders

We have to be as familiar as possible with the expectations of our stakeholders to successfully manage DZ HYP. We define stakeholders as persons or institutions with social, environmental, economic, legal or ethical expectations towards us. They must either be affected by our decisions or influence our decisions.

## GRI 102-43: Approach to stakeholder engagement

Regular communication with our stakeholders is a key element of DZ HYP's sustainability strategy. It enables us to better understand the aims and concerns of the various stakeholder groups. It also serves as a source of information about how the outside world perceives the risks and opportunities associated with our business activities. For this reason, building and maintaining long-term relationships with our stakeholders is also of strategic importance and forms the basis for further developing our approach.

Our employees play an active part in the Bank's decision-making processes. In addition, we use our intranet to keep staff constantly informed about everything going on in the Bank. To further intensify the dialogue, we regularly conduct

anonymous online employee surveys to assess the Bank's development from their perspective. This includes the "Pulse Check", which is intended to give a representative picture of the mood in the Bank and workplace satisfaction, and is repeated every two years. The next "Pulse Check" is scheduled for 2022.

Based on the employee survey results, we launched a "Culture Project" at the end of 2021, whose aim is to develop a common understanding of what DZ HYP stands for, in order to remain attractive for clients and employees alike. Sustainability also plays a role here. The results of this "Culture Project" will become available in 2022, and we will then take action in line with these results.

DZ HYP has installed Advisory Boards for banks, public-sector clients and the housing sector, which serve as dialogue platforms for active regular exchange with key stakeholders. They advise DZ HYP's Management Board on the Bank's strategic approach, and are in turn provided with information by the Management Board at least twice a calendar year on important matters and the development of the Bank. Members of the Advisory Boards also act as propagators for DZ HYP, and actively promote its business relationships.

- » The **Advisory Board – Banks** consists of up to 30 members. At least 75 per cent of these are full-time management board members of cooperative banks.
- » The Management Board appoints up to eleven members to the **Advisory Board – Housing Sector**. These members are managing directors and management board members of housing enterprises from all over Germany.
- » The Management Board appoints up to eleven members to the **Advisory Board – Public Sector**. These members are representatives of municipalities, government agencies, or municipal umbrella organisations.

In April 2021, DZ HYP's Sustainability Officer reported on the topics of sustainability strategy and the sustainability project in meetings of the Advisory Board – Banks and Advisory Board – Housing Sector, respectively.

The German cooperative banks constitute one of our most important stakeholder groups. In addition to personal meetings and visits by our Management Board and market units staff, the Advisory Board – Banks supports the exchange between DZ HYP and the German cooperative banks. We also use Investors' Open Tables for the real estate industry to regularly create opportunities where we openly debate professional and socio-political issues and involve the management boards of our partner banks in discussions with our real estate clients. We also regularly invite selected cooperative banks to exclusive client events, in order to strengthen collaboration in the Corporate Clients business segment.

In the age of digitalisation in particular, personal discussions remain a central building block for solid business relationships with our clients and our industry partners. Our New Year's receptions at our real estate centres are an appropriate

and popular event format; however, these could not take place in the year under review due to the pandemic. In addition, we host forecasting events as well as table talks in small groups for our corporate clients.

Events are key to DZ HYP's success in building and strengthening client relationships. The importance of events was particularly evident during 2021, when relationship management was challenging due to the pandemic. This made (and makes) it all the more important to develop formats that can meet the need for exchange and connection, also under special hygiene conditions. The TV studio, which we established at the Hamburg office in 2020, proved very valuable in this context. A large number of participants were able to watch, follow and comment our ImmoTalks or StudioTalks via livestream.

### DZ HYP's event formats for real estate clients

Corporate Clients	Retail Customers	
Investors' Open Tables at real estate centre locations	Lunch at the BWT banking conference in Berlin	Collaborating on industry events with partner banks
Table talks with top clients at all locations	Cooperative bank groups visiting our head offices	
Alster Race	New Year's receptions in Hamburg, Dusseldorf, Frankfurt, Stuttgart, Munich	
ImmoTalks / StudioTalks (virtual events)	Forecasting events (twice a year, virtual events)	
Marina Night at MIPIM	Exclusive concert nights as part of our Elbphilharmonie sponsoring	
Investors' Night at EXPO REAL	Sponsoring of and support for industry events	
Talks with housing industry clients		

We keep our communication with our capital market partners as transparent as possible. In addition to the annual and half-yearly financial reports, we regularly publish other information pertaining to our markets. Moreover, we cultivate investor relations intensively, through one-on-one meetings as well as by way of events. Due to the pandemic, the overall number of events was lower during the year under review – and many events were held online.

We are in constant dialogue with rating agencies and analysts for financial and sustainability ratings.

We also seek exchange with our stakeholders by participating in or exhibiting at trade fairs. We attended the GENOKON online trade fair hosted by GENOPACE in 2021, where we strengthened and deepened our relationship with the cooperative banks and hosted a workshop to inform the market about new developments.

DZ HYP is an exhibitor – together with Union Investment Institutional GmbH and R+V Lebensversicherungs AG – at the German Treasurer Day, where pressing matters for municipalities are discussed. In 2021, this event was held in a hybrid format: participants were able to follow the presentations and discussions either in person or digitally. Aside from the effects of the COVID-19 pandemic, the conference focused on sustainability, climate change and mobility.

In addition, we are present at industry events, and host a networking hour at VdW Rheinland Westfalen's conference for the housing industry, for example.

Last but not least, we honour banks that closely cooperate with us in the Corporate Clients and Retail Customers segments with the annual DZ HYP Partner Award. This award includes prize money, which the award-winning bank can donate to a local charitable cause of its choice.

DZ HYP provides evidence of its market expertise by regularly publishing real estate market surveys, often with a regional focus. The Bank's reports analyse developments in the retail, office and residential property segments of the commercial real estate market. They are well established and very popular in the industry. In addition to our regular surveys "Regional Real Estate Markets", published in March, and "Real Estate Market Germany", which analyses developments in the seven major cities, we also publish two reports on selected German federal states. Our in-house IMMO KOMPAKT publication also provides valuable information, increases transparency on our business activities and supports the cooperative banks in their daily work on the markets they are active in. To raise attention for DZ HYP's expertise among end clients, too, DZ HYP's ImmoBlog explains current real estate market topics in clear language, different formats and at a manageable length, and involves renowned experts from the real estate industry. The cooperative banks can integrate DZ HYP's ImmoBlog into their own websites.

DZ HYP is a member of numerous associations. We support efforts towards a more stable financial system as well as the interests of Pfandbrief issuers and the economic and non-economic interests of the real estate sector. In 2021, we participated in an initiative across various industries, where we focused on preparing and establishing standards to help determine the sustainability performance of real estate portfolios.

» DZ HYP's memberships of associations, p. 9

### **GRI 102-44: Key topics and concerns raised**

Sustainability is increasingly gaining importance on the financial markets and at the political level. Germany is set to become a leading location for sustainable finance, and the European Union is creating the framework with its Action Plan and related legislative proposals. In line with this, the sustainability rating agencies are also shifting their focus and applying stricter standards. And last but not least our partners, the German cooperative banks, as well as our clients, expect us to act sustainably – especially when it comes to developing our products and strategy.

As a cooperative bank, the combination of environmental, economic and social responsibility has always been an integral part of DZ HYP's corporate culture. We therefore consider ourselves equipped for these challenges and focus closely on sustainability-related issues that primarily affect players in the financial sector. This includes, for example, the EU's Action Plan on Financing Sustainable Growth, which recommends action for financing the climate targets in the Paris Agreement and the Sustainable Development Goals (SDGs) by redirecting capital streams. In order to encourage longer-term thinking in capital market investments and creating a more stable financial market as a result, climate policy risks are being taken more into account. This is also being driven forward in regulatory terms by the European Central Bank's (ECB) guide on climate-related and environmental risks and by the European Banking Authority's (EBA) guidelines on loan origination and monitoring.

In 2019, the European Union presented the Green Deal, an action plan for the transition to a modern and competitive economy that is efficient in its use of resources. All sectors of the economy have to play an active role by investing in eco-friendly technologies, for example, or increasing the energy efficiency of buildings and decarbonising the building sector. The EU's aim is to be climate-neutral by 2050. In a joint climate strategy, the DZ BANK Group committed to reducing aggregated CO<sub>2</sub> emissions of the Group entities by at least 65 per cent by the year 2030, compared to 2009, and to be climate-neutral by 2045. This target for climate neutrality is the minimum target for the Group.

» Ecological Responsibility, p. 50 et seqq.

Besides retaining employees, the Bank needs good access to qualified and talented specialists and executives, as well as young talent. Advancing digitalisation and demographic developments are intensifying competition for personnel. A strong employer brand with a convincing message is essential for good market positioning. The aim is to rejuvenate the workforce, increase the percentage of women, and strengthen employee loyalty. Raising DZ HYP's attractiveness in other than the traditional areas of employment, such as IT, is also a priority.

The employer branding process initiated in 2020 was enhanced by adding the important element of "what makes DZ HYP special" in 2021.

In order to find suitable profile topics, three branding workshops were held with employees in 2021. On the basis of the results, three strong profile subjects were identified:

- » Social interaction: a sense of well-being promotes our performance.
- » Inner strength: there is no such thing as bad weather.
- » Aspiration: we realise ambitions together.

These three profile subjects form our “high-performance team”, which will be at the heart of communications regarding our employer brand from 2022 onwards, helping us to strengthen our position as an attractive employer.

- » [Employee Matters](#), p. 38 et seqq.

We explain in detail how we deal with these requirements regarding reporting in the About This Report section. How we integrate them strategically is outlined in the Sustainability Strategy chapter.

- » [Sustainability Strategy](#), p. 19 et seqq.
- » [About This Report](#), p. 59 et seqq.

## GRI 415: Public policy

### GRI 415-1: Political contributions

We consider ourselves an independent, politically neutral institution; we engage only in expert and industry-specific associations meaning that we do not support any political parties. This also includes not granting donations to political parties, so as to not expose ourselves to any possible accusation of exercising political influence or earning preferential treatment.

# SUSTAINABLE BANKING

## GRI 103: Management approach (covering 103-1, 103-2, 103-3)

DZ HYP is a leading provider of real estate finance and a major Pfandbrief issuer in Germany, as well as a centre of competence for public-sector clients within the Volksbanken Raiffeisenbanken Cooperative Financial Network. As a member of the Financial Network, we believe we have a duty to do business responsibly and sustainably.

The restructuring of our market activities in 2020, grouping them into the Corporate Clients, Retail Customers and Public Sector segments, has proven successful. DZ HYP has since been working even more closely with the Cooperative Financial Network in the Commercial Real Estate Investors and Housing Sector businesses, which were previously set up as separate segments and are now part of the Corporate Clients segment. By founding our collaboration with cooperative banks on trust and partnership, we strengthen their successful and sustainable positioning on the market.

We see ourselves as having an active role in society. The business decisions we make have a significant impact on our community. That is why we as a bank strive to base our success on a sustainable business model that takes into account the needs of our employees, society, the environment and the global climate. As part of this, we abide by the general sustainability principle set out by the Brundtland Commission: sustainable development meets the needs of today's generation without jeopardising the ability of future generations to meet their own needs.

In the stakeholder survey carried out by the DZ BANK Group in 2019, internal and external stakeholders alike gave "sustainable banking" the highest priority as a field of action. This underscores the need for sustainability to continue to be approached as a strategic cross-divisional responsibility in future, and to be systematically integrated into the core business. For DZ HYP, this means that we want to draw out the principle of sustainability, already enshrined in the cooperative model, even more clearly.

» GRI 102-44: Key topics and concerns raised, p. 29 et seq.

To facilitate professional exchange and to evaluate current developments, the Sustainability Committee was established in 2019. The new Sustainability Coordination Committee we launched in the year under review is responsible for ensuring cross-divisional dialogue at operational level. Furthermore, the Sustainable Products Committee established with relevant decision-makers in 2021 determines the real estate evaluation process, including methodology and selection of properties for sustainable funding, and provides impetus for the development of sustainable products.

» Sustainability Strategy, p. 19 et seqq.

We are constantly evolving and will continue to confront the many sustainability-related challenges that await us, in particular in the financial sector, in the years ahead. These challenges include the EU's Action Plan on Financing Sustainable Growth, questions of climate change, and the issue of creating housing in metropolitan areas.



## Selected projects



Gasometer in Berlin-Schöneberg

» The former site of the “NeckarPark” freight yard is currently one of the most important development spaces in Baden-Württemberg’s capital Stuttgart. DZ HYP is part of the “Stuttgarter Höfe” project – a new urban district comprising two attractive and pioneering buildings on an 8,100 sqm site with commercial (building A) and mainly residential (building B) uses. Highly efficient use of space is key to the construction process.

Energy-efficient construction – including heat recovery, photovoltaic panels, green façades and parking spaces for electric vehicles – ensures that the building is sustainable. With its excellent connection to the public transport and its bicycle parking spaces, the district also boasts an ecologically visionary traffic concept. The entire project is scheduled for completion by the end of 2024; developers are aiming to receive the DGNB “Gold” certificate.

« DZ HYP and R+V Lebensversicherung AG are financing the refurbishment of the Schöneberg Gasometer in Berlin. Its redesign is the final construction project on the EUREF Campus, which has complied with the German government’s climate protection targets for 2050 since 2014. The building will be erected as a KfW Efficiency House 55, implementing the standard of a “nearly zero-energy building” which more than fulfills current statutory requirements for energy consumption as per the German Buildings Energy Act (*Gebäudeenergiegesetz* – “GEG”).

Energy supply is “smart”, meaning that lights, for example, only turn on if someone is in the room. By continuing to use the gasometer as commercial space, no new areas in Berlin require surface sealing and no trees need to be felled.

The foundation stone was laid in August 2021, completion is scheduled for year-end 2023.



Stuttgarter Höfe

» The new urban district “FOUR” is under construction at the heart of Frankfurt’s banking district. The ensemble consists of four high-rise buildings, and will offer space for more than 600 apartments. With a maximum of 55 floors and a height of up to 233 metres, FOUR will comprise Germany’s highest office building once it has been completed.

The deconstruction process was the first to receive DGNB’s “Platinum” certificate in November 2020. The developers are also aiming for a “Platinum” DGNB certificate for the Vertical Cities scheme, whose challenging criteria include the location, energy supply, amenity value, mixed use, sustainable mobility, and cost minimisation across the entire lifecycle. Besides the use of geothermal energy for cooling and heating, it is above all the mixed use with short distances that will ensure a long and therefore sustainable lifecycle for the new urban district. Opening up the previously closed area, creating public places and a public terrace on the podium, together with the provision of social housing in the district, will provide an important social contribution to urban development.



LEIQ in the Kaiserlei district on the outskirts of Offenbach



Urban district “FOUR” in Frankfurt

« The LEIQ is a pioneering project in the Kaiserlei district, a joint industrial zone of the cities of Frankfurt and Offenbach. A modern office complex is being built on an approximately 11,200 sqm large plot. Developers are aiming for a completely carbon-neutral building, offering its tenants modern and energy-optimised rooms with excellent thermal characteristics and high air exchange rates. Green roofs and inner courtyards, and an atrium, are further highlights.

# Sustainable lending

## GRI 103: Management approach (covering 103-1, 103-2, 103-3)

As a member of the DZ BANK Group, DZ HYP is committed to the fundamental cooperative idea of sustainable and responsible business practices. Our products and services are ethically justifiable, with potential risks being clearly communicated.

» Risk Management, p. 25

Sustainability issues are part of our day-to-day business. We have been regularly collecting sustainability verification in our new business with corporate clients, in the form of energy performance and other energy efficiency certificates for the properties, since July 2021. Based on this, we evaluate especially the energy efficiency characteristics of the properties. The sustainability certificates accepted by DZ HYP include the certificate of the German Sustainable Building Council (DGNB), the Leadership in Energy and Environmental Design (LEED) of the U.S. Green Building Council and the BRE Group's Building Research Establishment Environmental Assessment Method (BREEAM).

» Selected projects, p. 32 et seq.

Investments in properties – be it new constructions or modernisation measures – help increase energy efficiency and usually meet high demands regarding accessibility for people with disabilities, security/safety and family friendliness.

In the Housing Sector segment, we serve cooperative, municipal and housing companies owned by the Church from all over Germany, amongst others. In other words: clients who want to provide affordable housing to large sections of the population.

DZ HYP further aims to protect its clients from over-indebtedness as best it can, basing its assessments on the mortgage lending values of the properties to be financed or collateralised in the real estate finance business with commercial real estate investors, and examining the financial position, i.e. their assets and liabilities, as well as the cash flow, amongst other things. Covenants are included in the loan agreements to ensure that the debt servicing capability is assured across the entire term of the loan. In other words: defined requirements such as equity capitalisation, leverage ratio, liquidity situation and/or interest coverage must be complied with over the entire term of the loan. In the Retail Customer segment, the brokering banks assess the creditworthiness in line with provisions set out by DZ HYP, thus avoiding undue hardship and over-indebtedness of the borrowers who, when entering into the agreement, can apply to be granted the right to adjust repayments three times during the fixed-interest period, thus allowing for flexibility and the possibility to react to temporary liquidity issues. In addition, borrowers can make individual arrangements with DZ HYP should they face financial difficulties.

Last but not least, each and every exposure must be checked against the DZ BANK Group's exclusion criteria prior to granting the loan. The aim is to prevent transactions failing to comply with minimum sustainability requirements, as well as those which potentially increase the risk for reputational damage at the expense of the DZ BANK Group. As such, the Bank – for example – does not enter into business relationships if significant human rights violations or environmental breaches cannot be excluded in the course of the partner's business activities.

Our performance was once again recognised by the Berlin-based European Real Estate Brand Institute, which annually awards the most powerful real estate brands in twelve categories, based on a representative survey amongst experts. DZ HYP was able to impress again in 2021, taking first place in the Banking category for the sixth time.

# Client Satisfaction

## GRI 103: Management approach (covering 103-1, 103-2, 103-3)

### GRI 417: Marketing and labelling

#### GRI 418: Customer privacy

Client satisfaction is a major success factor for our business. This is why we regularly review our performance and engage in personal dialogues. DZ HYP prepared a survey in the Corporate Clients and Retail Customers segments in the year under review; execution and results are scheduled for 2022. We present our products and services extensively with print and online publications, in personal discussions, a series of events, and on our website. We have set out our Principles for Sustainable Marketing in an internal policy.

DZ HYP guarantees that it will protect its clients' personal data and only use personal data for specific purposes. Our conduct is based on our internal data protection policy that applies to all members of staff. Protecting our clients' data is also central to our projects for digitalising the client interface: we want to fulfil our clients' demands for processes of enhanced quality, better efficiency and speed, while at the same time complying with the highest standards on data protection and security.

We established a complaints management system to collect and strategically manage any complaints our clients may have.

» Responsible Corporate Governance, p. 15 et seq.

## GRI 417: Marketing and labelling

### GRI 417-1: Requirements for product and service information and labelling

DZ HYP's marketing activities include advertisements, product brochures and flyers, letters to clients, events, website and social media content, and other measures to promote the Bank's image. We do not tolerate misleading, discriminating or defamatory advertising, nor do we tolerate derogatory comments about competitors, their products or services.

We take care that visual advertising conforms with generally prevailing social norms and does not depict degrading images on the basis of personal characteristics such as ethnicity, religion and beliefs, gender, age, disability and/or sexual identity. Our products and services, and their prices, are transparent, clear and understandable.

We do not carry out advertising measures using bulk e-mails or mailshots. Advertising is generally conducted on the basis of a precise needs analysis. We do not approach clients for advertising purposes if they have declined them or not expressly consented. We only use data entered voluntarily on our website for the purposes expressly requested by the user.

### GRI 417-2: Incidents of non-compliance concerning product and service information and labelling

### GRI 417-3: Incidents of non-compliance concerning marketing communications

Our Principles for Sustainable Marketing are set out in an internal policy. In the year under review, no breaches were reported in relation to product/service information and labelling or marketing communications.

## GRI 418: Customer privacy

### GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

DZ HYP acts in accordance with the provisions of the Federal Data Protection Act (*Bundesdatenschutzgesetz* – “BDSG”) and the EU General Data Protection Regulation (“GDPR”). The corresponding regulations are set out in policies and work instructions. In 2021, there was one data breach requiring notification under Article 33 of the GDPR.

# Sustainable Funding

## GRI 103: Management approach (covering 103-1, 103-2, 103-3)

The sustainable transformation of the real estate sector requires large public and private investments. DZ HYP supports this process by integrating environmental criteria into its capital markets products. This allows the necessary funds to be collected from capital markets investors with a focus on sustainability and allocated to energy-efficient real estate financings.

In this context, DZ HYP established a Green Bond Framework aligned with the International Capital Market Association’s (ICMA) Green Bond Principles and the Minimum Requirements for Green Pfandbriefe released by the Association of German Pfandbrief Banks (vdp). The Framework lays the foundation for Green Pfandbrief issues.

The use of proceeds mainly depends on the energy efficiency of the financed properties, which in turn can be proven with energy performance and other energy efficiency certificates, or the building’s energy efficiency standard. The Framework also provides information on the project evaluation and selection process, on proceeds management, and on reporting, which is published within an

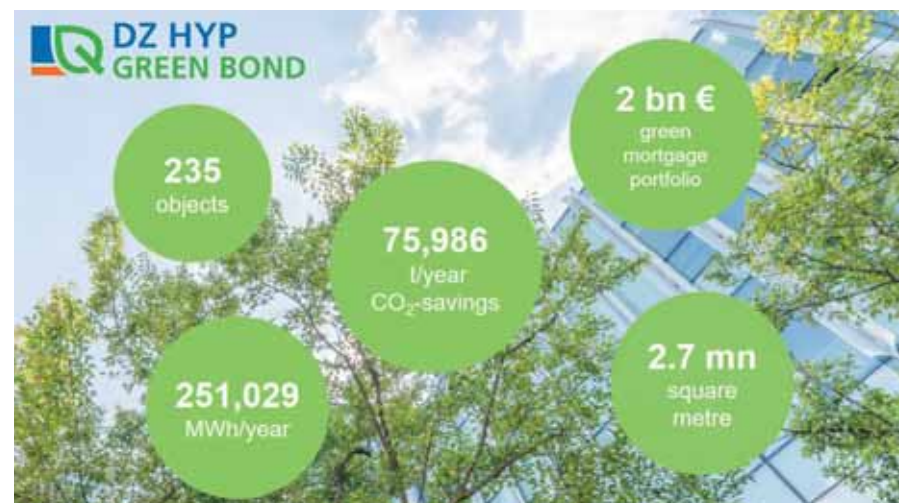
annual Green Bond Report comprising transparent information on use of funds and climate impact achieved. DZ HYP prepared a Pre-Issuance Reporting to provide investors with an overview of the green portfolio’s ecological quality prior to the first Green Pfandbrief issue. To ensure that the methods used comply with the highest quality standards, the Bank mandated the renowned consulting firm Drees & Sommer to calculate the climate impact.

Please refer to our website for the Pre-Issuance Reporting and other key documents on the DZ HYP green bond.

» <https://dzhyp.de/en/investor-relations/informations-for-investors/green-bonds/>

The sustainability rating agency ISS-ESG prepared a second party opinion on DZ HYP’s Green Bond Framework, confirming the contribution of our green bonds to Sustainable Development Goal (SDG) 11: Sustainable Cities and Communities.

## Pre-Issuance Impact Reporting<sup>1</sup> | reporting date 30 Sep 2021



<sup>1</sup> The Pre-Issuance Reporting aims to provide transparency, and is purely indicative.

## THE INTERVIEW

Head of Treasury, Patrick Ernst, will provide insight into the structuring and issuance of DZ HYP's first Green Pfandbrief.



### Mr Ernst, what exactly is a Green Pfandbrief?

Just like a traditional Mortgage Pfandbrief, a Green Pfandbrief is a covered bond that serves to fund real estate loans collateralised by real property liens. The product is held in very good esteem on the capital markets, and is considered particularly safe and reliable due to the strict underlying statutory requirements. Properties financed by a Green Pfandbrief also comply with rigorous sustainability criteria, and are selected based on their energy efficiency. This ensures that the proceeds are only used for sustainable projects.

### Why did DZ HYP decide to issue a green bond?

When the European Union launched the Green Deal in 2019, it set itself the ambitious goal of being climate-neutral by 2050. This poses challenges for the real estate sector, which is responsible for roughly 40 per cent of German greenhouse gas emissions, and requires immense public and private investments. As a leading real estate finance house and Pfandbrief issuer in Germany we consider it our duty to actively take part in shaping this transformation. By issuing Green Pfandbrief instruments we are taking an important step towards achieving the Paris climate targets, at the same time offering our investors the opportunity to make targeted investments in a sustainable transformation of the real estate sector.

### How do you know which real estate loans are sustainable?

Real estate loans are selected based on their energy efficiency. We have been asking for sustainability verification and certificates in our Corporate Clients segment since 2021 and store the sustainability data in our core banking system. Later on we use these data to classify the real estate loans based on our criteria.

### So, that is the basis for the credit business.

### And how does it turn into a Green Pfandbrief?

Standards have developed on the green bond market over the past years, which DZ HYP has followed. We then created a Green Bond Framework which describes key features and criteria. This is aligned with the International Capital Market Association's (ICMA) Green Bond Principles and the Association of German Pfandbrief Banks' (vdp) Minimum Requirements for Green Pfandbriefe. Prior to the Pfandbrief issue, a second party opinion prepared by the sustainability rating agency ISS-ESG verified the Framework.

And last but not least we published a Pre-Issuance Reporting for our investors which – prior to the placement – provided information, for example, on the green portfolio's carbon emission savings.

### The €1 billion issue followed in February 2022.

### Were you happy with the market's response?

During the roadshow, which lasted several days, we found that many investors were interested and liked our new financing instrument – this was confirmed by high demand during the issuance process, leading to an allocable final order book volume of €2 billion. We were particularly pleased that around 33 per cent of the 90 investors had an ESG background.

### An excellent result. What's up next?

We've got a lot to do. After all, it is our goal to firmly embed sustainable funding in our business model. As such, we will report on the use of funds and climate impact achieved with our Green Pfandbrief in an annual Green Bond Report, and make sure that the EU Taxonomy is implemented in our Green Bond Framework.

### Thank you very much for the interview.

# EMPLOYEE MATTERS

## **GRI 103: Management approach (covering 103-1, 103-2, 103-3)**

### **GRI 202: Proportion of women**

### **GRI 401: Employment**

### **GRI 402: Labour/management relations**

### **GRI 403: Occupational health and safety**

### **GRI 404: Training and education**

### **GRI 405: Diversity and equal opportunity**

### **GRI 406: Non-discrimination**

### **GRI 407: Freedom of association and collective bargaining**

Motivated and skilled employees are our most vital resource because it is their ability, commitment and dedication that decide whether the Bank's activities will render success from an economic point of view. It is not only for ethical and legal reasons that we provide a working environment in which everyone is treated with respect, openness and fairness. It is also because with such an environment we lay the groundwork for long-term entrepreneurial success.

In our human resources work, we are guided by the work and social standards of the International Labour Organization (ILO). As a responsible employer, we want to harmonise our employees' needs with economic framework conditions. We offer our staff performance-based remuneration, flexible working hours without a set schedule, and a corporate culture that meets the needs of families. Our attrac-

tive offer is complemented by extensive continuing professional development of- fers, social benefits, plus comprehensive occupational health management.

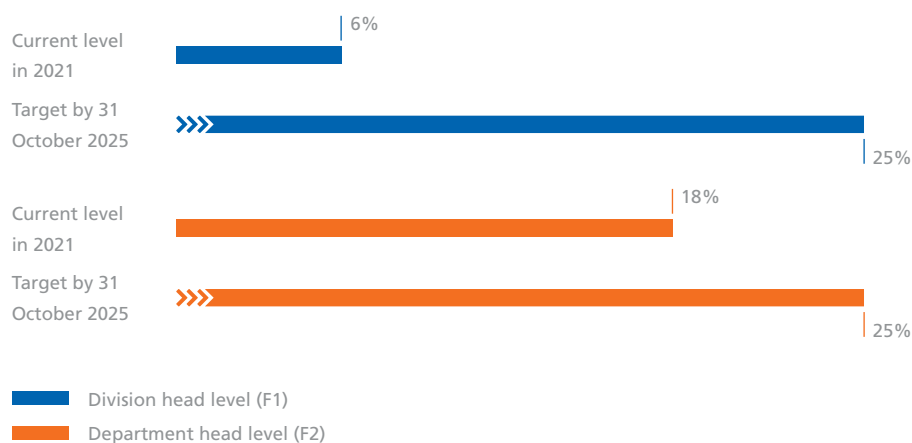
We have established an HR Business Partner concept at both of our head offices, to align HR activities more closely with value creation in the units. The concept helps employees to contribute to business success and create added value for customers. The areas in question are provided with close support in tackling the individual challenges facing them.

As a result of demographic change and growing competition for specialists and executives, developing and maintaining the attraction of the employer has moved to the forefront of strategic HR activities. The demographic concept adopted in 2019 was elaborated in greater detail in the reporting year, and individual meas- ures have been implemented. The demographic concept focuses on four fields of action: HR planning, talent acquisition, staff loyalty and employee health. The concept aims to allow DZ HYP to safeguard its performance as a Bank in the future, too.

We want to increase our training activities to deal with shortages in skilled work- ers. DZ HYP offers tailored vocational training and professional development pro- grammes for school graduates, students and university graduates, including study programmes whilst in employment.

## GRI 402: Proportion of women

### PERCENTAGE OF WOMEN AT MANAGEMENT LEVEL (in %)



It is therefore crucial to maintain good access to talent, despite increasing competition, and to ensure a high level of loyalty among our own employees. These efforts are supported by a strong employer brand that is equally convincing inside and outside of the Bank. In order to continue to reach our relevant target groups, we embarked upon revamping our employer branding strategy in 2020. The first step in this process involved the launch of a recruitment campaign. In addition to activities in the field of real estate finance, we have put areas such as IT or data management, which are currently in the process of being expanded, into the spotlight. The campaign focuses on using employees as brand ambassadors. As well as revamping the design of the Bank's job advertisements, various video job advertisements were shot with employees and are being published by the Bank on its social media channels. The careers page on DZ HYP's website, as the main platform for recruiting employees, has also been restructured and equipped with

revised content and a new visual language. Since then, potential applicants have been able to use the page to read interesting facts about DZ HYP as an employer, as well as to find detailed information on the individual areas of assignment and the measures that the Bank takes to promote up-and-coming talents. We no longer rely solely on conventional text and images, but have also included podcasts with employees who talk about their work in various areas of DZ HYP. We have also added video job advertisements.

At the end of 2020, we launched the Pulse Check online employee survey to consult with staff about their satisfaction. The results were published in March 2021, with divisions receiving a detailed analysis and passing it on to the teams. Based on this data, the teams decided where action was needed. The results confirmed that DZ HYP continues to be a good employer that offers its employees an enjoyable environment where they work with great commitment and dedication. The employees reported particularly high levels of satisfaction with regard to the daily experience, their own tasks, and cooperation with colleagues and managers. They also rated the handling of the COVID-19 pandemic and quick transition to working from home in the wake of the first lockdown as very successful. The survey also revealed that employees seek orientation in times of significant changes in their working environment. This was reflected in questions about the Bank's strategic course and related questions about digitalisation, pointing at the Bank's prospects and competitiveness going forward.

To ensure a lasting desire to perform and remain capable across all age groups, personal health and work-life balance are essential prerequisites. In this sense, we offer the opportunity to tailor work to fit with the needs experienced in different phases of life, such as various flexible working time models. The COVID-19 pandemic led to a transition to remote working from home, which was seen positively by employees. Due to (but also regardless of) this development, the question has emerged as to what the working environment at DZ HYP will look like in the future. The Bank gave an answer to this with a works council agreement on hybrid working, concluded in the year under review.



In addition to working in the office – which is key to supporting exchange and a sense of community among employees – more opportunities are to be created that will better reconcile work and private life. This transition is a first step towards a “new normal”, but also a measure of DZ HYP’s attractiveness as an employer.

Our dialogue culture is shaped by openness and mutual respect. Employees take part in decision-making processes at the Bank and can use the intranet, for example, to stay up to date with what is happening at DZ HYP.

In addition to addressing factors that pose a risk to health, we use measures to maintain and enhance employee health. In addition, our occupational health management will in future have a stronger emphasis on mental health challenges at the workplace in the wake of a changing work environment. This is an important cause also in economic aspects, since our employees’ ability to perform hinges on how fit they feel and how well they can cope with their workload.

» GRI 403: Occupational health and safety, p. 43 et seq.

Moreover, the professional qualification of our employees is an important asset to us. We offer a broad range of training, including in-house seminars, departmental training, team-building measures, workshops, language classes and IT training. Our employees may also attend external seminars and visit other DZ BANK Group entities. In-person seminars were resumed in the year under review, and most providers introduced online alternatives, so that more seminars were held than in the previous year.

#### STAFFING INDICATORS 2021

	GRI standard	2021	2020	2019
<b>Headcount (number of employees)<sup>1</sup></b>	<b>GRI 102-7, 102-8</b>	<b>832</b>	819	870
Temporary employees		15	20	25
Permanent employees		817	799	845
<b>Expenses for compulsory social security contributions (in € mn)<sup>2</sup></b>	<b>GRI 401-2</b>			
Wages and salaries		76.4	73.1	76.2
Company pension schemes		8.0	8.4	9.3
Other social security contributions		11.2	10.3	11.0
<b>Percentage of women</b>	<b>GRI 102-8, 405-1</b>			
Total workforce		44.4	44.4	45.3
Executive positions		17.0	17.7	13.9
<b>Average age</b>		<b>46.0</b>	46.9	45.6
<b>Employees with disabilities (in %)</b>	<b>GRI 405-1</b>	<b>4.0</b>	4.2	3.6
<b>Turnover (in %)</b>	<b>GRI 401-1</b>	<b>6.0</b>	13.3	6.0
Rate of voluntary resignations (in %)		5.2	6.8	3.9
Average length of company service (in years)		13.2	13.8	13.4
<b>Illness rate (in %)</b>	<b>GRI 403-10</b>	<b>3.0</b>	3.3	4.2
<b>Workforce by type of employment (in %)</b>				
Non-tariff employees	<b>GRI 102-41</b>	<b>57.4</b>	54.8	49.4
Tariff employees	<b>GRI 102-41</b>	<b>42.6</b>	45.2	50.6
With the option to take special leave		100.0	100.0	100.0
With the option to work part-time		100.0	100.0	100.0
Full time	<b>GRI 102-8</b>	<b>77.0</b>	74.9	76.3
Part time	<b>GRI 102-8</b>	<b>23.0</b>	25.1	23.7
Mobile working		99.1	88.8	80.0
Partial retirement		4.7	3.5	0.7
With company pensions	<b>GRI 401-2</b>	<b>81.2</b>	89.2	96.0
Represented in the Works Council		97.9	97.5	97.7
On parental leave	<b>GRI 401-3</b>	<b>5.5</b>	6.1	2.7

<sup>1</sup> Annual average.

<sup>2</sup> Reported in accordance with IFRS.

We value the diversity of our employees, and therefore decided to sign the German Diversity Charter in 2012. Equal opportunity and anti-discrimination are cornerstones of our corporate policy and human resources management. These principles underpin our approach to wages and salaries. Employee remuneration is principally based on the current version of collective bargaining agreements which set out criteria for job classification and remuneration; these are not based on gender.

» GRI 102-41: Collective bargaining agreements, p. 41

Our practical understanding of integrity and an ethical corporate culture is clearly stated in our Group-wide Code of Conduct, which is binding for all employees. This Code of Conduct combines our internal principles with external market standards and reaffirms our commitment to sustainability.

» Our Code of Conduct

» Responsible Corporate Governance, p. 15 et seqq.

In compliance with legal requirements, Human Resources regularly informs the Works Council members of fundamental changes and concludes appropriate agreements with them as stipulated in the German Works Constitution Act (*Betriebsverfassungsgesetz – “BetrVG”*).

### **GRI 102-41: Collective bargaining agreements**

482 members of staff were non-tariff employees as at 31 December 2021 (2020: 438); 357 were tariff employees (2020: 359). These figures include both fixed-term and ongoing employment contracts.

Our employees' remuneration is governed by

- » the collective bargaining agreement for the German private banking sector, and
- » the basic collective agreement and the collective agreement for
  - cooperative banks and
  - the cooperative central institution,

as amended. These collective bargaining agreements define criteria for job classification and the corresponding remuneration that are not based upon gender, institutionalising equal pay for men and women in the collective remuneration scheme. For non-tariff employees, salary and salary development are set forth in an employer/works council agreement, based on the employees' activities and their qualification.

When an employee is placed in a particular salary band, Works Council members as well as the Remuneration Officer are involved.

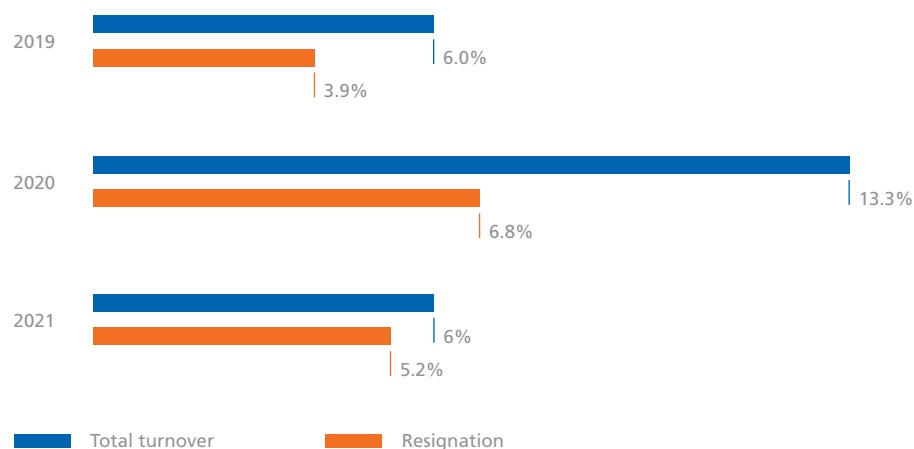
» GRI 405: Diversity and equal opportunity, p. 46

» GRI 407: Freedom of association and collective bargaining, p. 46

## GRI 401: Employment

### GRI 401-1: New employee hires and employee turnover

#### EMPLOYEE TURNOVER (IN %)



#### AVERAGE LENGTH OF COMPANY SERVICE (in years)



### GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees

Occupational benefits are offered to all internal employees. In addition to performance-related remuneration, we offer extensive social benefits to all internal full and part-time employees and all internal employees on fixed-term contracts to enhance their security and improve their work-life balance. Our benefits include corporate retirement provisioning, childcare support, a transit card (“job ticket”) and transit allowance for public transport, group accident insurance, a corporate sports programme, anniversary bonuses, a subsidised canteen, and financial support for next of kin. DZ HYP also contributes to employees’ capital-building payment schemes.

» GRI 201-3: Defined benefit plan obligations and other retirement plans, p. 14

### GRI 401-3: Parental leave

For staff members who have children or dependants needing care, and for employees who volunteer in their free time, we offer a wide range of measures. We want to foster a corporate culture that enables the demands of family and career planning to be brought into harmony. We are well aware that there cannot be a “one size fits all” approach; we are therefore always in search of individual solutions to personal matters, together with our employees – for example, flexible hours, different part-time models as well as the option of mobile working. In recognition of our family-friendly human resources policy, the non-profit Hertie Foundation awarded us the “audit berufundfamilie®” certificate for the first time in 2013. DZ HYP has since regularly received this seal of quality, which has to be earned afresh every three years. The current seal is valid until 10 December 2023 and applies to DZ HYP’s two head offices and six real estate centres.



In the year under review, 5.5 per cent of our employees were on parental leave.

## GRI 402: Labour/management relations

### GRI 402-1: Minimum notice period regarding operational changes

In the event of significant operational changes, all of the notice periods under labour law and the German Co-Determination Act (*Mitbestimmungsgesetz – “MitbestG”*) apply. In addition, we use our intranet to keep employees constantly informed about what is going on in the Bank. In compliance with legal requirements, DZ HYP informs the Works Council members of fundamental changes and concludes appropriate agreements with them as stipulated in the Works Constitution Act.

## GRI 403: Occupational health and safety

### GRI 403-8: Employees covered by a management system for occupational health and safety

Occupational re-integration management has been in place at the Hamburg office since 2012, and at Münster since 2019. Thus permanent integration teams exist at both head offices who contact affected employees during their working hours and develop measures for re-integration or continued employment at the workplace.

In the year under review, a committee comprising equal numbers of employees and management representatives was responsible for developing the psychological and stress-related risk assessment, and other occupational health management services and initiatives. The Company-wide Committee for Occupational Safety (ASA), consisting of the two Occupational Health and Safety Officers from the Hamburg and Münster offices, representatives from Human Resources and Administration as well as company doctors, also met regularly in 2021. Safety Officers from every office location take part in relevant training. This approach will be rolled out at real estate centres as well.

In accordance with the statutory provisions and requirements for occupational and fire safety, all employees receive safety training when they join us, which is conducted by our occupational safety specialists.

### GRI 403-9: Work-related injuries

### GRI 403-10: Work-related ill health

As in the previous years, there were no work-related fatalities in 2021. The rate of work and commuting accidents at DZ HYP was 0.4 per cent in 2021 (2020: 0.7 per cent). The illness rate was 3.0 per cent in 2021 (2020: 3.3 per cent).

The Hamburg office has been collaborating with the Corporate Occupational Medical and Safety Service (B.A.D.) since 2012. In the reporting year, collaboration was expanded to include the Münster office.

The Bank continued with its existing occupational health management offering in the reporting year, although some services could only be offered to a limited extent due to the COVID-19 pandemic. Employees were able to consult with company doctors at fixed hours. As planned, we offered the annual company flu vaccination at the Hamburg and Münster offices. Employees in the real estate centres had the opportunity to be vaccinated locally at the B.A.D. health centres. Overall, demand was significantly higher than in previous years. DZ HYP also continued with its occupational re-integration management programme. In cooperation with DZ BANK AG and the Helios clinics, COVID-19 vaccinations were offered in the summer of the year under review. Booster vaccinations were then offered in February 2022.

Since the lockdown in the spring of 2020, DZ HYP's employees have also had the opportunity to use the digital services offered by the Bank's cooperation partner Fitness First to help them include exercise in their daily routine, even when working from home. Since the start of the reporting year, Bäderland Hamburg – a municipal swimming pool operator – has been added as another cooperation partner of DZ HYP, offering employees discounted entry to all Bäderland locations in Hamburg with corporate benefits tickets.

In addition, the occupational health management team has put together different offers for employees aimed at maintaining or improving their mental health. These include subsidising selected meditation and mindfulness apps, among other things. The offer is complemented by various live and online seminars.

As part of another of our Company-wide campaigns, we started to hand out a high-quality glass drinking bottle (soulbottle) to each employee in July 2020, and continued this practice in the year under review, giving such bottles to all new employees. This campaign is to encourage employees to drink the daily recommended amount of fluids in the form of tap water and at the same time to avoid and reduce the use of plastic bottles.

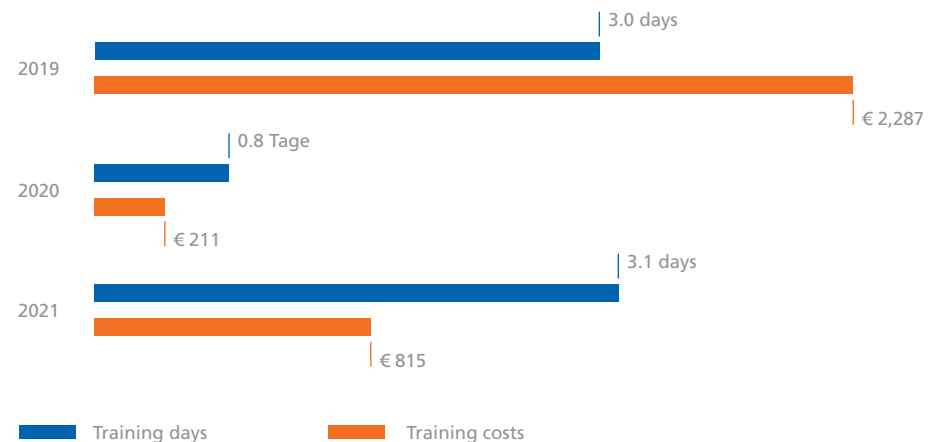
In August 2021, employees of the two head offices once again met for cycling tours. For Hamburg, the occupational health management team organised a cycling tour to the rural districts of the Hamburg region. The Münster Works Council offered a tour across the Münster region.

» Employee indicators, p. 40

## GRI 404: Training and education

### GRI 404-1: Average hours of training per year and employee

TRAINING DAYS AND COSTS PER EMPLOYEE



In 2019, we received the BEST PLACE TO LEARN training certificate, which is valid until 31 May 2022. Students and pupils can also get to know DZ HYP through internships, student clerkships or their academic or thesis work. When designing such projects, we adhere to the Fair Company Codex, a voluntary self-commitment we made in 2014 and for which we were awarded the corresponding seal.

DZ HYP is committed to not only recruiting talent externally, but also to training its own staff, in order to be able to effectively rise to the challenges of the future and respond to changing skills requirements with a qualified team of young professionals. As a result, DZ HYP is strengthening its vocational training activities as part of its demographic concept. Two trainees and two dual students were recruited in 2021. The dual study programme, which includes a programme leading to a Bachelor and Master of Science in Banking & Finance, has been offered at the Münster office since 2012 in addition to the vocational training programme for bank officers. DZ HYP awarded permanent contracts to all trainees in the year under review who had successfully passed their exam. Three trainees then took up a position at the Münster office and one trainee at the Hamburg office.

The Bank also extended its activities in the area of professional training for qualified graduates. Besides the existing trainee programme for commercial real estate finance, a further programme was introduced for IT. This training programme aims to qualify young junior staff for a permanent position in different specialist IT departments, thus making new skills available to DZ HYP. The trainee programme that was started in October 2020 in the Commercial Real Estate Investors business segment continued successfully in the year under review, with deployments to specialist departments, work shadowing and participation in the DZ HYP Real Estate Academy. “Trendence und Absolventa”, the leading online jobs portal for young academics, once again awarded the Bank its seal of quality in 2021 for its “fair trainee programme”.

In addition to the IT trainee programme, the Bank is planning programmes to develop fresh talent in regulation.

#### **GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes**

The DZ HYP Real Estate Academy is an integral part of the Bank's specialist training programme. It functions in partnership with the IRE|BS Real Estate Business School, Regensburg, one of the most renowned further training establishments in the real estate sector. Since 2010, around 100 employees have participated in the Academy's programme. In addition to attending a series of lectures split into three modules, participants work in small teams on a case study based on a real-life scenario, which they then present to a commission of IRE|BS representatives and DZ HYP's Management Board. The Real Estate Academy offers comprehensive training and an in-depth insight into the various areas of the real estate industry. In addition to the Bank's own workforce, representatives from cooperative banks also take part in the Real Estate Academy.

#### **GRI 404-3: Percentage of employees receiving regular performance and career development reviews**

To facilitate modern management, we developed a workable and state-of-the-art format for employee appraisals at the Hamburg office. It ensures that employees and managers enter into a dialogue at eye level at least once a year, which – instead of being a retrospective, formalised assessment – focuses on strengths and potentials. Having a regular dialogue also serves to identify individual areas for improvement. The rollout of the employee appraisal format is pending for the Münster office.

## GRI 405: Diversity and equal opportunity

### GRI 405-1: Diversity of governance bodies and employees

We treat all employees equally, regardless of their heritage, skin colour, religion, sex, age, nationality, sexual orientation, gender identification, marital status or degree of disability.

» GRI 406: Non-discrimination, p. 46

Our corporate culture promotes integration: as such, severely disabled members of staff are an important part of our workforce. 4.0 per cent of our employees were severely disabled in the year under review (2020: 4.2 per cent). Severely handicapped employees, together with their interests and concerns, have dedicated representatives.

In accordance with statutory requirements, the Supervisory Board and Management Board of DZ HYP are obliged to set targets for the proportion of women on the Supervisory Board, the Management Board and the two management levels below the Management Board – as well as deadlines for achieving such targets. Due to the far-reaching restructuring measures as part of the Focus 2020 project, the Management Board re-evaluated and redefined the targets for the proportion of women in first-level and second-level management positions at DZ HYP on 3 November 2020 in accordance with the statutory requirements for the equal participation of women and men in management positions. The aim is to achieve 25 per cent women at both management levels by 31 October 2025. As at 31 December 2021, the share of women at first- and second-level management was 6 per cent and 18 per cent, respectively.

» Employee indicators, p. 40

### GRI 405-2: Ratio of basic salary and remuneration of women to men

DZ HYP's remuneration structure does not discriminate on the basis of sex. Men and women with equal jobs, equal suitability and equal experience will receive equal pay.

» GRI 102-41: Collective bargaining agreements, p. 41

## GRI 406: Non-discrimination

### GRI 406-1: Incidents of discrimination and corrective actions taken

Our employees receive regular training on the German General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz – "AGG"), and the training applies to our executive staff in particular. After joining DZ HYP, new employees must complete a training course on the General Equal Treatment Act within 14 days. Once again, no violations or complaints regarding non-compliance with the General Equal Treatment Act were registered in 2021.

## GRI 407: Freedom of association and collective bargaining

### GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Issues including equal treatment, freedom of association and collective bargaining are addressed in internal regulations, prevailing principles and the Group-wide Code of Conduct. In the year under review, no instances of non-compliance or threats to the freedom of association or collective bargaining were reported.

## THE INTERVIEW

In the following interview, Arne Schneider, DZ HYP's Head of Human Resources, shares insights about his work at DZ HYP.



### **Mr Schneider, what does sustainability mean for DZ HYP's human resources management?**

It means we pursue a long-term approach aimed at recruiting, developing and retaining employees. It also means a focus on social values, and maintaining and developing employee competencies. After all, the Bank's success and sustainable business development depend on the motivated, well-trained men and women of our workforce, who thrive on the challenges they meet. Our human resources policy aims to create the right environment for this way of working.

### **Could you explain what this means in practical terms, for example, for the recruitment and training of young talent?**

We are committed to ensuring that our trainees and dual students receive the best possible preparation for their future careers. We offer a variety of trainee programmes. In addition to their intensive on-the-job training, our trainees independently complete a trainee project. They receive guidance from experienced mentors and participate in continuous development courses tailored to their specific needs. First-class professional training – combined with the potential for regular employment after completion of the trainee programme – provides a solid foundation for the future of our Company.

Of course, training and development opportunities do not end with the trainee programme. Our professionals can also choose from a range of relevant offerings which the Bank is pleased to support. For example, we provide assistance to employees who want to earn a degree alongside their regular work.

### **What are some other aspects of sustainable human resources management?**

We seek to maintain the health and well-being of our employees, provide good working conditions and keep the stress level as low as possible. Our occupational health management offers a wide array of related services, ranging from creating the best possible conditions at a corporate level to individual measures, such as: ergonomic workspaces, flexible working time models to promote work-life balance, seminars about healthy lifestyles, company sports programmes and nutritious foods offered in the dining facilities at our head offices.

### **To what extent does DZ HYP's overarching sustainability strategy play a role in your work?**

The integration of sustainability aspects is very important for HR management. Demographic change, increasingly dynamic shifts in workplace practices and requirements, and intensified competition for qualified specialists and executives are pushing the issue of employer appeal to the forefront of strategic human resources work. And sustainability is a key issue for many employees and applicants, who want to work for an employer that shares their values. The Bank's focus on sustainability can thus be a key competitive advantage when it comes to recruiting staff and strengthening employee loyalty.

### **Is there anything you are particularly proud of?**

We measure employee satisfaction and find out about stress in the workplace with the help of regular employee surveys. The results of the most recent survey, conducted at the end of 2020, were published in March 2021 and confirm that DZ HYP is a good employer. This is a very pleasing result, which encourages us in our efforts. Naturally, these surveys also show us potential for improvement, to make us even more attractive to our employees and the labour market. For us as a company, as for our employees, constant learning is all-important to remaining fit for the future. The awards received from independent organisations are another testament to our sustainable and successful human resources work. And they motivate us even further to carry on.

**Thank you very much for the interview.**



# SOCIAL COMMITMENT

## GRI 103: Management approach (covering 103-1, 103-2, 103-3)

### GRI 203: Indirect economic impacts

The cooperative basic values of aiding empowerment, solidarity as well as sustainable and responsible conduct are cornerstones of DZ HYP's social commitment. As an active member of society, we are aware that the decisions we make significantly influence the environment in which we move, live and work. That is why we join our employees in dedicating ourselves to the community in which we live and move, and make our own contribution to the work they do together, supporting a large number of social projects and institutions as well as non-profit organisations active in the real estate or cooperative sectors. We also support the social involvement of the Cooperative Financial Network. Moreover, DZ HYP has a positive impact on economic and social development at its locations – as an employer and contractor.

### GRI 203: Indirect economic impacts

#### GRI 203-1: Infrastructure investments and services supported

#### GRI 203-2: Significant indirect economic impacts

The Bank promotes the Active Citizenship Foundation (*"Aktive Bürgerschaft"*), which advocates civic action and non-profit organisations. We also support the CLUB OF ROME's German charter, by providing the club's branch office at our premises in Hamburg at no charge. Further, DZ HYP is the host and financial backer of the annual meeting of the CLUB OF ROME schools network.

In August of the year under review, DZ HYP raised €60,000 through an internal fundraising campaign for people badly affected by the floods in North Rhine-Westphalia and Rhineland-Palatinate. Employees did not hesitate to help, donating a total of just under €30,000, with DZ HYP doubling the amount and rounding it up to €60,000. Two charitable foundations in the affected regions received €30,000 each. The beneficiaries of the donations identified people and organisations that most urgently needed the help.

Within the scope of the "Schools and Business Partnership" project launched by the Chamber of Commerce and Industry, DZ HYP cooperates with two schools in Münster. The Bank also supports hands-on vocational orientation as part of the "Don't leave school without the prospect of a job" project run by the State of North-Rhine Westphalia. In the year under review, internships were unfortunately unable to go ahead at DZ HYP due to the pandemic.

In 2021, as part of its commitment to social responsibility, DZ HYP subsidised the Hamburg Donors' Parliament (*"Hamburger Spendenparlament"*), which supports initiatives to tackle homelessness and people living in poverty, as well as initiatives to promote integration in Hamburg. As in previous years, the Bank also doubled the staff Christmas collection initiated by the Works Council, alongside other customer-related donations. Again, donations totalling €17,500 benefited two different charitable organisations: the SOS Children's Village in Hamburg-Dulsberg, which trains volunteers at the SOS Family Centre to provide unbureaucratic and rapid support for families in difficult situations, and the container project for homeless women, who receive advice and support from social workers and students from the University of Applied Sciences (HAW). The latter is a joint project between Caritas Hamburg and HAW.

As in previous years, DZ HYP once again decided to largely refrain from sending out Christmas cards in 2021, instead using the amount saved to provide financial support to two social projects proposed by its employees. One of these projects is the association "DER HAFEN HILFT e.V." based in Hamburg. Since 2009, the association has been bringing together the needs of social institutions and their users with the surpluses from private households and companies across various sectors. Another beneficiary of the financial support was Berlin's largest children's and inclusive sports club, "Pfeffersport e.V." This association has been committed to inclusion in and through sport for a number of years. In the year under review, the DZ HYP Partner Awards were once again presented to banks that have worked especially closely with us. The awards are attached to a donation that goes to anyone of the recipient's choosing. As in prior years, a variety of charities – dedicated to different causes – received donations. These causes included help for women in need („Frauenzimmer e.V.“), for children from low-income families („Stiftung Mitmachkinder“) and for seriously ill children („Verein Sterntaler e.V.“).

The DZ HYP division responsible for donations and sponsoring is Communications, Marketing & Events (CME). CME presents the Management Board with a budget once a year. The budget for donations and sponsoring activities was €346,677 in 2021 (2020: €430,233). Of this amount, €189,650 (2020: €100,000) was dedicated to donations for scientific, cultural and social causes.

# ECOLOGICAL RESPONSIBILITY

## GRI 103: Management approach (covering 103-1, 103-2, 103-3)

### GRI 301: Materials

### GRI 302: Energy

### GRI 303: Water and effluents

### GRI 305: Emissions

### GRI 306: Waste

### GRI 307: Environmental compliance

Conserving an intact and stable environment influences our business activities as well. Our environmental management focuses on optimising the use of energy and resources at the Bank, and on using renewable energy sources to consistently reduce our operational carbon footprint. We also seek to reduce mobility-related emissions, such as those resulting from business travel. Looking at environmental issues in the supply chain of products and services is another part of our sustainable corporate policy.

At the end of 2017, the Centre of Competence for Environmental Matters (KCU), of which DZ HYP is also a part, developed an environmental and climate strategy together with the DZ BANK Group entities for the first time; it entered into force in 2018. This strategy is constantly reviewed and refined. It sets common standards for a compelling environmental policy, an efficient environmental organisation with clear responsibilities, and lean processes. The objective of the joint strategy is to become climate-neutral by 2045 at the latest. Based on 2009 as a reference year, greenhouse gas emissions will be reduced by 65 per cent by 2030.

In doing so, we support the Federal German Government's Climate Action Plan and the UN's Paris Agreement to limit the increase in global average temperatures to a maximum of two degrees Celsius compared to pre-industrial levels. Indeed, the DZ BANK Group – which employs around 30,000 people – has already reduced its CO<sub>2</sub> emissions by 40 per cent compared to 2009. The main drivers for this reduction so far have been a switch to using energy from renewable sources, as well as efficiency enhancements in heat generation and distribution.

Since 2021, the Group has been including additional emission sources in the calculation of its carbon footprint, making these targets even more ambitious. For example, the data recognised in scope 3 have now been expanded to include the emissions generated during commuting, events, in mail dispatch and while working from home.

In addition, the KCU aims at exchanging knowledge and experience, improving the strategy and defining Group-wide standards.

### REDUCTION IN DZ HYP'S CO<sub>2</sub> EMISSIONS COMPARED TO THE 2009 BASE YEAR (IN %)



In the past years, we have presented the degree to which targets were being achieved on the way to the previously defined goal of reducing our CO<sub>2</sub> emissions by 80 per cent by the year 2050, compared to 2009.

Regardless of the changed objective (climate neutrality) and the extension of data recognised in scope 3, we will maintain this presentation method in the year under review to facilitate comparability.

To further advance environmental management at DZ HYP and keep track of the effects that our business activities have on the environment, we systematically record and analyse our resources consumption. This enables us to identify actions that need to be taken and potential for improvement, as well as to verify and plan them depending on urgency, efficiency and benefits derived. In accordance with our environmental policy, we derive environmental targets and the measures we need to take in order to meet them. The fact that the Münster office has been certified under the “ÖKOPROFIT” programme (an ecological project for integrated environmental technology involving the City of Münster, industry, Chambers of Commerce and national partners) since 2012, including regular renewals, bears testimony to the high quality of the environmental management system.

Coordinating environmental management at the Bank lies within the responsibility of DZ HYP’s Sustainability department, the head of which also acts as the Environmental Management Officer. This department represents the competent authority for developing the Bank’s environmental management system – supported by further specialist departments, who in turn are responsible for implementing environmental action in their realm.

We place great importance on engaging our employees and keep them updated about goals and results in the realm of environmental and resource protection. We want to motivate our employees to actively pursue environmental protection, both in their professional and private lives. In order to raise awareness among our employees and support them in their efforts, we provide them with practical tips on the intranet and invite them to informational sustainability events. In the year under review, Dr Christine Lemaitre, Chief Executive Director of the German Sustainable Building Council (DGNB), provided insights on the DGNB certification system and outlined the principles of the EU Taxonomy in her presentation “Building a climate-positive future”.

We would also like to win over the tenants and service providers of our properties towards pursuing more environmental protection in everyday life. As such, we instruct them to make sure that waste is consistently separated and environmentally friendly cleaning agents are used.

In order to promote the issue of alternative means of mobility at DZ HYP, our Münster and Hamburg employees can lease company bikes and e-bikes on favourable terms.

## GRI 301: Materials

### GRI 301-1: Materials used by weight or volume

#### GRI 301-2: Recycled input materials used

Amongst the consumables, printer and copier paper account for the largest share in terms of volume. Both in Hamburg and Münster, we have been relying on recycled and paper certified by the Forest Stewardship Council (FSC) for several years now. Since mid-2018, we have been increasingly using Blue Angel certified recycled paper. In 2021, 86.7 per cent of the paper consumed at DZ HYP carried that label, almost unchanged year-on-year (2020: 87.3 per cent). For marketing materials and publications, we use exclusively FSC-certified paper. To further reduce our paper consumption in Münster, all sanitary facilities and washrooms in Münster are equipped not only with paper towels, but also with cloth towel dispensers. Cloth towels are a good alternative to paper towels because they can be exchanged and cleaned regularly.

In sum, total paper consumption was 15 per cent lower in the year under review than in 2020: 18,481 kg versus 21,756 kg. Behind this are our efforts to save paper by digitalising processes. In addition, due to the pandemic, a large number of our employees were working from home during the reporting year.

## PAPER CONSUMPTION

	2021 <sup>1</sup>	2020 <sup>1</sup>	2019 <sup>1</sup>
<b>Printer and copier paper consumption</b>			
Total paper consumption <sup>2</sup> (in kg)	7,903	9,156	15,361
Specific paper consumption (in kg/FTE)	12	15	24
Share of FSC-certified paper (in %)	1	13	13
Share of recycled paper (in %)	99	96	81
Share of totally chlorine-free (TCF) paper (in %)	0	4	6
<b>Printed material</b>			
Total paper consumption (in kg)	4,826	6,462	13,455
Specific paper consumption (in kg/FTE)	8	11	21
Share of FSC-certified paper (in %)	100	100	100
<b>Hygienic paper consumption<sup>3</sup></b>			
Total paper consumption (in kg)	5,753	6,139	7,766
Specific paper consumption (in kg/FTE)	8	10	12

Due to the process of harmonising the methods of data collection at the two offices, reference values have changed and thus individual data as well.

<sup>1</sup> 83 per cent coverage per full-time employee (FTE); part-time positions are added up to a 100 per cent basis. This includes permanent and temporary employees (excluding Management Board, those on placements, inactive employees and externals).

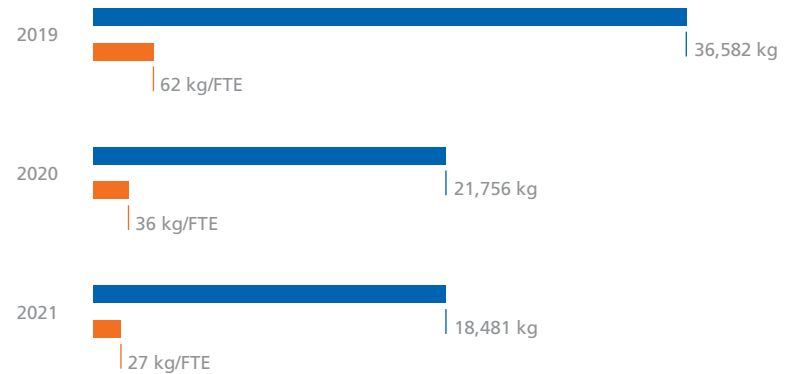
<sup>2</sup> Changes in data collection have resulted in different data than that published in the 2013 status report (paper consumption incl. envelopes 2013/2014).

"Printer and copier paper" no longer lists FSC-certified and elemental chlorine-free paper, due to low volumes.

"Printed material" no longer lists ECF and TCF paper as these types of papers are no longer used.

<sup>3</sup> Differing methods of data collection at both head offices prevent us from reporting the percentage share of elemental chlorine-free (ECF) and totally-free (TCF) hygienic paper.

## TOTAL AND SPECIFIC PAPER CONSUMPTION



## GRI 302: Energy

### GRI 302-1: Energy consumption within the organisation

### GRI 302-2 Energy consumption outside of the organisation

### GRI 302-3 Energy intensity

### GRI 302-4: Reduction of energy consumption

DZ HYP has been sourcing 100 per cent of its electricity from renewable energy sources for some years now. All electricity consumed in Münster has been generated in Scandinavian hydro-electric plants since 2012, and all electricity consumed in Hamburg has been certified hydroelectricity since 2013.

During the year under review, the aggregated electricity consumption at both head offices in Hamburg and Münster was 2,204,746 kWh, down from 2,525,491 kWh in 2020, a 12 per cent year-on-year decline. On a per-FTE basis, electricity consumption was 3,228 kWh (2020: 4,202 kWh). Due to ongoing renovation work in Hamburg and Münster in the year under review, the figures are only indicative to a limited extent because, for example, electricity consumption for the construction work and extended sites cannot be recorded separately.

We have taken different measures to reduce our electricity consumption:

- » Raising awareness with our employees, for example in order to avoid standby power usage
- » Enhancing energy efficiency in the operation of buildings – especially in the equipment of communal areas such as kitchens
- » Increasingly combining energy-efficient LED light sources with motion detector technology and lighting controls based upon demand (e.g. for timing and intensity).

Emissions from operating the Hamburg building are reduced by the use of solar panels. Since 2020, a total of 251 solar panels (with an output of 325 watts each) generate solar output of around 80 kWp (Watt peak)/h under optimal conditions. This corresponds to an output of 55,000 to 70,000 kWh per year. The solar panels will allow DZ HYP to save around 36,000 kg of CO<sub>2</sub> emissions every year, compared to conventional electricity generated from gas, coal and nuclear power. The additional power used is made up exclusively of electricity purchased from certified hydroelectric power sources.

In Hamburg, heat is generated with natural gas, while alternate and project space is supplied with district heating. Modernisation measures allowed us to improve, among other things, the efficiency of the heating system, and lower total consumption in the past years. The measures were completed in mid-2021. In the first quarter of 2022, the entire building project was reviewed in the wake of the certification by the German Sustainable Building Council (DGNB). DZ HYP is aiming for a “Silver” certificate. The result of the review was not yet available at the editorial deadline.

In Münster, we also heat with natural gas. In recent years the building has been completely refurbished and modernised to allow for contemporary office use. As well as helping to save energy through new air conditioning and heating technology, the construction measures will create state-of-the-art, flexible workplaces. The modernisation work means that Münster can also obtain certification from the German Sustainable Building Council (DGNB) in 2022. The Bank is going for “Gold” in Münster.

Aggregate heat consumption (natural gas plus district heating) rose from 2,960,566 kWh in 2020 to 3,773,390 kWh in the year under review. This was due to the addition of 2,000 sqm of gross floorspace, which was put into operation in 2021.

#### ELECTRICITY AND HEAT CONSUMPTION

	2021 <sup>1</sup>	2020 <sup>1</sup>	2019 <sup>1</sup>
<b>Electricity consumption</b>			
Total electricity consumption (in kWh)	<b>2,204,747</b>	2,525,419	3,129,136
Of which sustainable hydroelectricity (in kWh)	<b>2,204,747</b>	2,525,419	3,129,136
Specific electricity consumption (in kWh/FTE)	<b>3,228</b>	4,202	4,888
<b>Heat consumption</b>			
Heat consumption (natural gas) (in kWh)	<b>3,703,600</b>	2,909,447	2,871,912
Heat consumption (district heating) (in kWh)	<b>66,790</b>	51,119	407,864
Total heat consumption (in kWh)	<b>3,773,390</b>	2,960,566	3,279,776
Specific heat consumption (in kWh/FTE)	<b>5,524</b>	4,926	5,123

<sup>1</sup> 83 per cent coverage per full-time employee (FTE); part-time positions are added up to a 100 per cent basis. This includes permanent and temporary employees (excluding Management Board, those on placements, inactive employees and externals).

## Mobility

To cut down on business travel as much as possible, we are raising employee awareness and increasingly making use of video and teleconferences. In the year under review, business travel rose to 2,564,228 km (2020: 1,089,468 km). At 3.3 per cent (2020: 7.0 per cent), the share of business-related air travel remains at a low level, while the share of climate-friendly rail travel was at 21 per cent (2020: 68 per cent). The increase in business travel was down to the temporary easing of restrictions during the pandemic. In 2020, business travel almost completely came to a halt as a result of the pandemic. Compared to the pre-COVID-19 level in 2019, the travel volume remains at a low level.

The Group-wide “Carbon Offsetting” working group was launched in 2020. After an in-depth analysis of the “appropriate compensation measures” issue, the DZ BANK Group agreed to continue avoiding or reducing emissions instead of jointly compensating for them in 2021.

### BUSINESS TRAVEL

	2021 <sup>1</sup>	2020 <sup>1</sup>	2019 <sup>1</sup>
<b>Total business travel (in km)</b>	<b>2,564,228</b>	1,089,468	6,000,688
<b>Specific business travel (in km/FTE)</b>	<b>2,947</b>	1,321	7,660
<b>Share of travel by train<sup>2</sup> (in %)</b>	<b>21</b>	68	39
<b>Share of air travel (in %)</b>	<b>3</b>	7	8
Less than 500 km (in %)	<b>83</b>	77	82
More than 500 km (in %)	<b>17</b>	23	18

<sup>1</sup> 100 per cent coverage per full-time employee (FTE).

<sup>2</sup> For DZ HYP's business trips made by rail, it is worth noting that the German railway company Deutsche Bahn uses sustainable energy only, making this form of travel climate-neutral since 1 April 2013.

Since 2016, our employees in Hamburg have been able to use a BMW i3 electric car for business travel. Electric and plug-in hybrid vehicles from the DZ HYP car pool can be charged fully within two hours using our eight very own charging stations located in the underground garage. Six more charging stations – with a payment system for employees to charge their private cars – are also in preparation, and will probably be available in the autumn of 2022. In Münster, two charging poles are available for employees' own vehicles; another one is reserved for our clients. In addition, we are planning to install 16 further charging stations within the scope of modernisation.

We are further encouraging employees to use low-emission public transport wherever possible, providing transit cards (“job tickets”) and transit allowances for existing season tickets as a financial incentive. During the year under review, 163 employees at our Hamburg office and 27 employees at our Münster office took advantage of the transit card (2020: 171 and 34, respectively). Since 2015, our employees in Münster have also been able to purchase bikes and e-bikes as company bikes from the bicycle leasing provider JobRad at favourable conditions. This allows our employees to travel to work in an especially environmentally friendly way. Since 2020, employees in Hamburg have also been able to take advantage of the JobRad scheme. DZ HYP subsidises the lease with a €10 per month contribution, and also pays the insurance for the bike. In 2021, a total of 166 (2020: 127) employees in Münster and Hamburg leased bikes and e-bikes.

Around 60 bicycle parking places and a bicycle repair station are available to employees, and also to commercial tenants of our cooperative companies, at the DZ HYP head office underground car park in Hamburg. In order to make cycling even more attractive, we made appropriate changing facilities available in mid-2022. In Münster we have more than 120 covered bicycle parking places. This offer will be extended in the course of the refurbishment of the building. Moreover, there are 24 charging stations for e-bikes in the underground garage. In addition, our employees can use free parking places at the bicycle station at the railway station.

## GRI 303: Water and effluents

### GRI 303-3: Water withdrawal

### GRI 303-5: Water consumption

DZ HYP sources water from the public utility for the Hamburg region, HAMBURG WASSER, and from the public utility of Münster, Stadtwerke Münster. Total water consumption during the year under review was 9,502 cubic metres, down from 10,078 cubic metres in 2020. At 14 cubic metres, specific water consumption per employee in 2021 was down again compared to the previous year's figure (2020: 17 cubic metres). The renovation works in Hamburg and Münster mean that the consumption figures are indicative only to limited extent.

#### WATER CONSUMPTION

	2021 <sup>1</sup>	2020 <sup>1</sup>	2019 <sup>1</sup>
<b>Total water consumption<sup>2</sup> (in m<sup>3</sup>)</b>	<b>9,502</b>	10,078	9,779
<b>Specific water consumption (in m<sup>3</sup>/FTE)</b>	<b>14</b>	17	15

Water consumption figures are averaged, as some of the water meters had to be removed and taken out of operation due to the renovation measures.

<sup>1</sup> 83 per cent coverage per full-time employee (FTE); part-time positions are added up to a 100 per cent basis. This includes permanent and temporary employees (excluding Management Board, those on placements, inactive employees and externals).

<sup>2</sup> Water withdrawn from the public drinking water system.

### GRI 303-4: Water recirculation

Waste water is fed into the local sewerage system; it is not discharged directly into streams and rivers. Waste water produced by DZ HYP does not affect biodiversity, due to its characteristics.

## GRI 305: Emissions

### GRI 305-1: Direct (scope 1) GHG emissions

### GRI 305-2: Energy indirect (scope 2) GHG emissions

### GRI 305-3 Other indirect (scope 3) GHG emissions

### GRI 305-4: GHG emissions intensity

### GRI 305-5: Reduction of GHG emissions

Our calculations of greenhouse gas emissions (CO<sub>2</sub> emissions) are based on the VfU indicator system (Association for Environmental Management and Sustainability in Financial Institutions). In accordance with the Greenhouse Gas Protocol (GHG Protocol), we differentiate between the following types of emissions in our reporting:

- » **Scope 1:** direct emissions from within the system under review (e.g. vehicle fleet).
- » **Scope 2:** Indirect emissions from externally generated energy (in particular, electricity and heating). since 2015, the GHG Protocol asks for data to be reported in two ways: one based on a so-called location-based method, and one based on a market-based method (dual reporting). Following the VfU, we continue to disclose scope 2 emissions based on supplier- and product-specific emission factors (market-based method).
- » **Scope 3:** other indirect emissions, e.g. related to transportation and logistics, the use of products and services, supply and disposal for our service providers, and business travel.



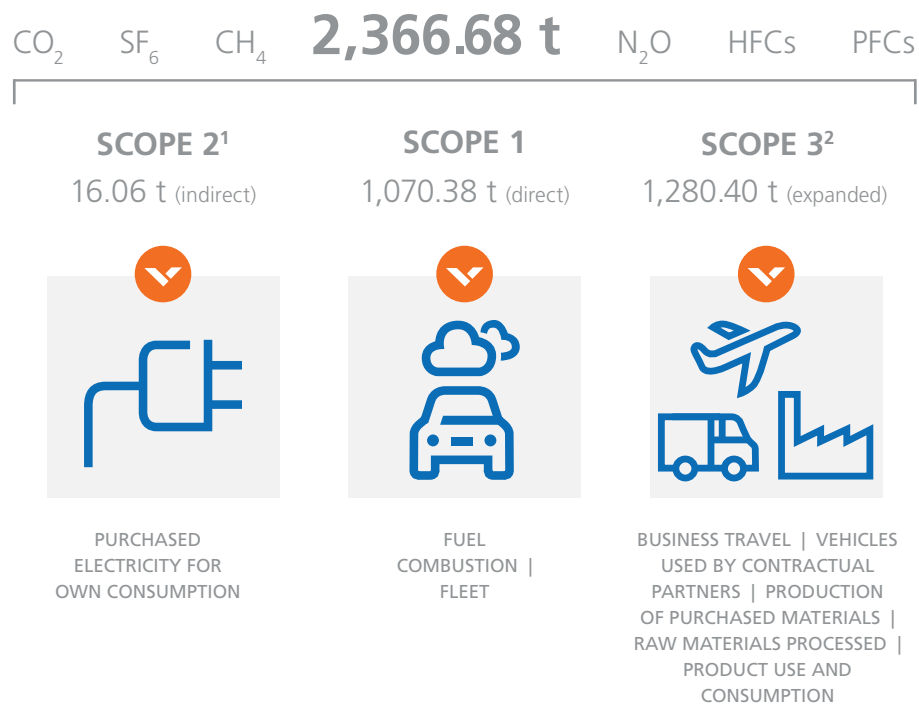
This is the basis upon which we identify our main emissions, and calculate our carbon footprint. Based on the indicators as determined and within the framework of our environmental management systems, we decide which actions to take that are suitable to reduce our consumption and avoid CO<sub>2</sub> emissions. We continuously monitor our indicators, and this helps us in identifying potential for saving energy and finding appropriate measures for better energy efficiency. Since we have expanded the data recognised in scope 3 to include emissions generated during commuting, events, in mail dispatch and while working from home, our CO<sub>2</sub> emissions have increased to 2,366.68 tonnes compared to the previous year (2020: 1,736.90 tonnes). Excluding these parameters, CO<sub>2</sub> emissions in the year under review were down by 11.7 per cent to 1,533.90 tonnes.

We set great store by a fuel-efficient and low-emission vehicle fleet. At the Hamburg and Münster offices, the company car regulation, which was updated in 2019, serves as a guideline for this that also regulates CO<sub>2</sub> emissions. The graduation depends on the function of the employee entitled to a company car. The maximum values range between 150 and 180 grams of CO<sub>2</sub> emitted per kilometre (cars with automatic transmissions may exceed the maximum value by 20 grams of CO<sub>2</sub> per kilometre each). After the pilot phase in 2020, electric and plug-in hybrid vehicles have become an integral part of DZ HYP's company car regulation. Twelve vehicles of this type have been part of the fleet ever since. Going forward, we aim to use mainly electric vehicles.

Following a change of the leasing company in 2015, we are now able to indicate the real annual mileage of the cars at our Hamburg office. CO<sub>2</sub> indications therefore are far more accurate than in previous years. The Münster office transitioned to fuel cards in 2019 that also make it possible to gauge consumption more precisely. As in the previous year, we are not reporting any transport-related CO<sub>2</sub> emissions in the year under review. Due to the pandemic, current data would not show a realistic picture of our regular transport emissions.

» Mobility at DZ HYP, p. 54

## CARBON FOOTPRINT



Due to changes in data collection at the Münster and Hamburg offices, CO<sub>2</sub> emissions are not broken down into individual emissions in the year under review.

<sup>1</sup> Following the VfU, we continue to disclose scope 2 emissions based on supplier- and product-specific emission factors (market-based method).

<sup>2</sup> Scope 3 resource consumption now includes not only paper, water, waste and business travel, but also commuting, events, mail dispatch, and working from home.

## GRI 306: Waste

### GRI 306-2: Waste by type and disposal method

#### GRI 306-4: Transport of hazardous waste

We try to prevent waste wherever we can. Where this principle cannot be applied and we generate waste, it is reused or recycled. All of the waste that is generated at our buildings is disposed of by an external contractor that recycles a large proportion of it.

10 per cent of waste is used to replace primary energy sources, and is prepared as substitute fuel for thermal energy generation, thus contributing to the preservation of resources and reduction of CO<sub>2</sub> emissions. Only 2 per cent of our waste is not recyclable. Transparency of waste data has increased considerably over the past years, as queries have become more differentiated and data suppliers more involved.

Batteries, electronics waste, wires, aluminium and copper waste are disposed of individually. The contractor reimburses these materials in accordance with market standards; credit is applied against disposal costs and disclosed separately. It is in particular the recirculation of sorted materials that has a positive economic effect. The share accounted for by electronics waste has declined considerably because we are no longer disposing of it and are instead handing it over to a service provider, T-Systems. Under strict adherence to GDPR requirements, T-Systems passes on old devices that are still intact to a sales partner or disposes of defective devices via a certified service provider.

Construction site waste is sorted and disposed of according to regulations by a specialist company. The increase in construction site waste and commercial waste is due to final renovation works in Münster and Hamburg.

In the reporting year, we were able to reduce our volume of confidential paper waste by a further 15 per cent compared to the previous year. With the introduction of electronic files in 2015, we significantly reduced paper consumption. We will continue to promote paperless communication in the future.

Our employees are also encouraged to consistently sort their waste, and suitable places – such as the kitchens – are equipped with bins for residual waste, glass and recyclable plastics. In addition, all offices are equipped with an additional dustbin to facilitate the segregation of paper waste and general (residual) waste. The plastic bin liners used in the cleaning company's collection areas have been replaced by environmentally friendly jute sacks.

## WASTE – NON-HAZARDOUS WASTE

	2021 <sup>1</sup>	2020 <sup>1</sup>	2019 <sup>1</sup>
Total paper (excluding confidential paper) (in kg)	132,738	64,187	66,174
Total confidential paper (in kg)	23,668	27,270	32,089
Total biological waste <sup>2</sup> (in kg)	18,700	14,976	12,361
Total mixed packaging (in kg)	226,533	151,862	130,263
Construction waste from modernisation <sup>3</sup> (in kg)	617,980	144,205	90,440
Total commercial waste (in kg)	15,367	99,238	43,591
<b>Total non-hazardous waste (in kg)</b>	<b>1,034,986</b>	<b>501,738</b>	<b>374,918</b>
Specific paper (excluding confidential paper) (in kg/FTE)	194	107	103
Specific confidential paper (in kg/FTE)	35	29	50
Specific biological waste (in kg/FTE)	27	25	19
Specific mixed packaging (in kg/FTE)	332	253	203
Specific building site waste from modernisation (in kg/FTE)	905	240	141
Specific commercial waste (in kg/FTE)	23	165	68
<b>Total specific non-hazardous waste (in kg/FTE)</b>	<b>1,516</b>	<b>819</b>	<b>584</b>

## WASTE – HAZARDOUS WASTE

	2021 <sup>1</sup>	2020 <sup>1</sup>	2019 <sup>1</sup>
Total toner waste (in kg)	184	170	61
Total electronics waste (in kg)	1,680	529	800
Total lighting waste (in kg)	168	130	244
<b>Total hazardous waste (in kg)</b>	<b>2,032</b>	<b>829</b>	<b>1,105</b>
Specific toner waste (in kg/FTE)	0.3	0.3	0.1
Specific electronics waste (in kg/FTE)	2.5	0.9	1.2
Specific lighting waste (in kg/FTE)	0.3	0.2	0.4
<b>Specific hazardous waste (in kg/FTE)</b>	<b>3.1</b>	<b>1.4</b>	<b>1.9</b>

<sup>1</sup> 83 per cent coverage per full-time employee (FTE); part-time positions are added up to a 100 per cent basis. This includes permanent and temporary employees (excluding Management Board, those on placements, inactive employees and externals).

<sup>2</sup> At the Hamburg office, figures pertaining to biological waste are not reported separately due to the low volume. At the Münster office, the canteen is operated by a third-party service provider. Kitchen waste from the canteen cannot be listed separately and is therefore included in the figures.

<sup>3</sup> At the Hamburg office, the only construction site waste listed is the waste that is generated independently of the renovation project at the offices, such as repairing water damage.

## GRI 307: Environmental compliance

### GRI 307-1: Non-compliance with environmental laws and regulations

In the period under review, DZ HYP was not subject to any significant fines or monetary sanctions for non-compliance with environmental laws and regulations.

# ABOUT THIS REPORT

## Reporting practice

### GRI 102-45: Entities included in the consolidated financial statements

DZ HYP is itself a part of the DZ BANK Group and therefore of the Volksbanken Raiffeisenbanken Cooperative Financial Network, which comprises 772 individual cooperative banks. In terms of total assets, the network ranks among the largest financial services organisations in Germany. Within the Cooperative Financial Network, DZ BANK AG acts as the central institution, tasked with supporting the local cooperative banks' transactions as well as strengthening their competitive position. It operates as a commercial bank, and exercises the holding entity function for the DZ BANK Group.

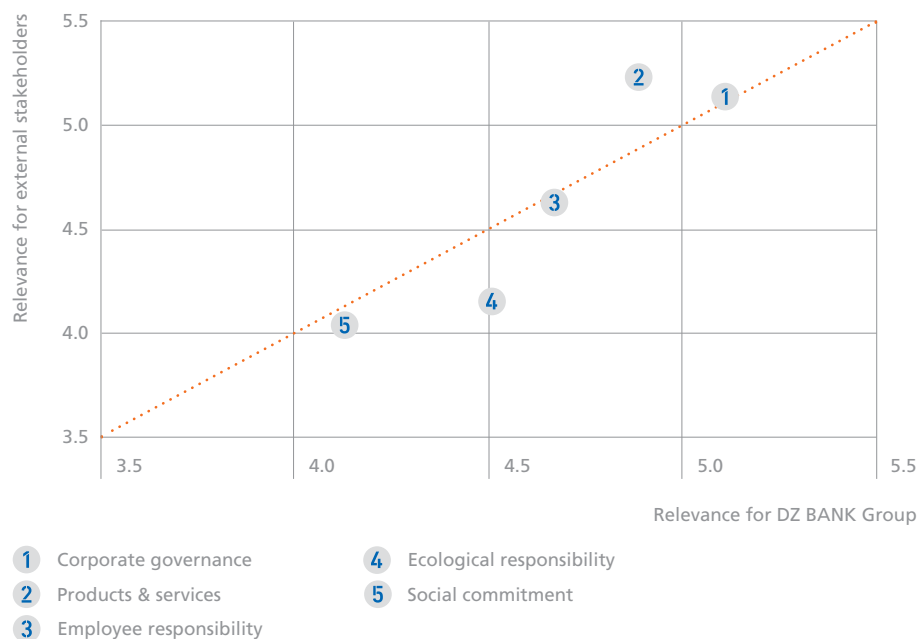
DZ BANK Group comprises Bausparkasse Schwäbisch Hall building society, DZ HYP, DZ PRIVATBANK, R+V Insurance, TeamBank, Union Investment Group, VR Smart Finanz as well as various other specialist financial services providers. Subsidiaries are non-material.

» Annual Report 2021, p. 12 et seqq.

### GRI 102-46: Defining report content and topic boundaries

Being aware of stakeholders' social, economic and ecological interests and expectations is the cornerstone of successfully managing sustainability at our Company. A Group-wide online survey of internal and external stakeholders conducted at the DZ Bank Group in 2019 provided relevant insights. The results of the survey were compared with internal company perspectives in internal workshops. The result was a materiality matrix that shows the priority attributed to different fields of actions by stakeholders. It forms the foundation of the DZ Bank Group's sustainability activities.

#### MATERIALITY MATRIX



The results on DZ BANK Group-level were then evaluated by each entity and subsequently compared to the external stakeholders' responses.

DZ HYP is a leading real estate finance house and Pfandbrief issuer in Germany, as well as a centre of competence for public-sector clients within the Volksbanken Raiffeisenbanken Cooperative Financial Network. In light of our clearly defined and rather narrow scope of business, we have a more limited number of stakeholders. DZ HYP's key fields of action are thus weighted differently than those of the DZ BANK Group.

» GRI 102-40: List of stakeholder groups, p. 26

As an initial step, we used desk studies (i.e. sources of information already available), together with analyses of competitors and conversations with our stakeholders to assemble a list of topics relevant for us – an approach similar to the one the DZ BANK Group follows for its materiality matrix. From there, we identified strategic fields of action that we then valued according to internal and external stakeholder groups.

The four key fields of action that DZ HYP's sustainability reporting will be based around in future are:

- » Risk management
- » Sustainable banking
- » Sustainable lending
- » Employer attractiveness / demographics

Our sustainability activities have also been reviewed and realigned based on these insights, initiating new projects in our core business, and our sustainability strategy was enhanced in 2020.

» Sustainability Strategy, p. 19 et seqq.

## GRI 102-47: List of material topics

### DZ HYP FIELDS OF ACTION

	GRI information / topic-specific standards	Page
Risk management	GRI 102-11: Organisational profile / precautionary principle	8 et seq.
	GRI 102-15: Strategy / key impacts, risks and opportunities	10 et seq.
Sustainable banking	Because the current GRI standards' coverage of "sustainable banking" is inadequate, we are publishing a management approach on the topic that is orientated around GRI 103.	31
Sustainable lending	GRI 417: Marketing and labelling	35
	GRI 418: Customer privacy	36
Employer attractiveness / demographics	GRI 401: Employment	42 et seq.
	GRI 402: Labour/management relations	43
	GRI 403: Occupational health and safety	43 et seq.
	GRI 404: Training and education	44 et seq.
	GRI 405: Diversity and equal opportunity	46
	GRI 406: Non-discrimination	46
	GRI 407: Freedom of association and collective bargaining	46

To fulfil transparency requirements for relevant ratings, we are expanding our reporting to include the following topic-specific GRI standards:

#### OTHER REPORT TOPICS

GRI standard	Chapter	Page
GRI 201: Economic performance	Our Company	13 et seq.
GRI 203: Indirect economic impacts	Social Commitment	48 et seq.
GRI 204: Procurement practices	Suppliers	17 et seq.
GRI 205: Anti-corruption	Our Company	16
GRI 206: Anti-competitive behaviour	Our Company	17
GRI 301: Materials	Ecological Responsibility	51 et seq.
GRI 302: Energy	Ecological Responsibility	52 et seqq.
GRI 303: Water and effluents	Ecological Responsibility	55
GRI 305: Emissions	Ecological Responsibility	55 et seq.
GRI 306: Waste	Ecological Responsibility	57 et seq.
GRI 307: Environmental compliance	Ecological Responsibility	58
GRI 308: Supplier environmental assessment	Suppliers	17 et seq.
GRI 412: Human rights assessment	Our Company	17
GRI 414: Supplier social assessment	Suppliers	18
GRI 415: Public policy	Sustainability Strategy	30

#### GRI 102-48: Restatements of information

#### GRI 102-49: Changes in reporting

We have prepared this report using the reporting format based on the standards of the Global Reporting Initiative (GRI), with the aim of providing our stakeholders with transparent information about key fields of action, measures, goals and indicators. The chapters in this report mirror the GRI structure insofar as possible. However, we have adapted their titles as well as the running order to suit our Company, to improve readability and to reflect our key issues.

» GRI Content Index, p. 63 et seqq.

#### GRI 102-50: Reporting period

Issues of particular relevance, however, were included in the Sustainability Report 2021 up to the editorial deadline on 28 February 2022. The indicators generally relate to the 2021 financial year (1 January to 31 December 2021).

#### GRI 102-51: Date of most recent previous report

The Sustainability Report 2020 was published on 30 June 2021.

#### GRI 102-52: Reporting cycle

The next Sustainability Report will be published in 2023.

**GRI 102-53: Contact point for questions regarding the report**

DZ HYP

Communications, Marketing & Events

E-mail: [sabine.kerse\(at\)dzhyp.de](mailto:sabine.kerse(at)dzhyp.de)

**Responsibility for the contents**

Julia Jordan

**Sustainability Report Management**

Sabine Kerse

**GRI 102-54: Claims of reporting in accordance with the GRI standards**

This Sustainability Report was prepared following the guidelines of the “Core” option of the GRI standards.

Because the current GRI standards only partially cover our Company's business activities, and in the interest of fulfilling the transparency requirements for relevant ratings, we added topics, for example, in the “Sustainable Banking” chapter, that currently influence our business as a result of socio-political developments or rating queries.

**GRI 102-55: GRI content index**

The GRI content index has been included.

» [GRI Content Index, p. 63 et seqq.](#)

**GRI 102-56: External assurance**

This report was not verified externally, with the exception of material contents and indicators. All economic figures were taken from DZ HYP's audited Annual Report 2021.

# GRI CONTENT INDEX

The Global Reporting Initiative (GRI) has created a standard for sustainability reporting in order to establish an international basis for comparing sustainability performance between different companies. The report follows the GRI standard guidelines in their “Core” option. The given GRI content index comprises the core indicators and provides references to corresponding pages in the report where the relevant information can be found.

» GRI 102-47: List of material topics, p. 60 et seq.

GRI reference		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 101:</b>	<b>FOUNDATION</b>		
<b>GRI 102:</b>	<b>GENERAL DISCLOSURES</b>		
	<b>Organisational profile</b>		
102-1	Name of the organisation	4	
102-2	Activities, brands, products, and services	4	
102-3	Location of headquarters	5	
102-4	Location of operations	6	
102-5	Ownership and legal form	6	
102-6	Markets served	6	
102-7	Scale of the organisation	6, 7	
102-8	Information on employees and other workers	8 The working time model is currently not broken down according to sex. Employment contracts are currently not broken down according to sex.	6
102-9	Supply chain	8	
102-10	Significant changes to the organisation and its supply chain	8	
102-11	Precautionary principle or approach	8	
102-12	External initiatives	9	1 to 10
102-13	Memberships of associations	9	



GRI reference		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 101:</b>	<b>FOUNDATION</b>		
<b>GRI 102:</b>	<b>GENERAL DISCLOSURES</b>		
	<b>Strategy and analysis</b>		
102-14	Statement from senior decision-maker	2, 3, 10	
102-15	Key impacts, risks and opportunities	10, 11	
	<b>Ethics and integrity</b>		
102-16	Values, principles, standards and norms of behaviour	11, 12, <a href="https://dzhyp.de/codeofconduct">https://dzhyp.de/codeofconduct</a>	1 to 10
	<b>Governance</b>		
102-18	Management structure	12, 13	
102-20	Executive-level responsibility for economic, environmental, and social topics	22	
102-22	Composition of the highest governance body and its committees	Annual Report	
102-23	Chair of the highest governance body	Annual Report	
102-35	Remuneration policies	Disclosure Report on Remuneration Policy	
	<b>Stakeholder engagement</b>		
102-37	Stakeholders' involvement in remuneration	When structuring remuneration, we involve specific stakeholders such as the Works Council, HR, trade unions, and associations and follow the German Regulation on Remuneration in Financial Institutions (Institutsvergütungsverordnung – "InstVergV").	8
102-40	List of stakeholder groups	26	
102-41	Collective bargaining agreements	41	3, 6
102-42	Identifying and selecting stakeholders	26	
102-43	Approach to stakeholder engagement	26, 27, 28	
102-44	Key topics and concerns raised	29, 30	

GRI reference		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 101:</b>	<b>FOUNDATION</b>		
<b>GRI 102:</b>	<b>GENERAL DISCLOSURES</b>		
	<b>Reporting practice</b>		
102-45	Entities included in the consolidated financial statements	59	
102-46	Defining report content and topic boundaries	59, 60	
102-47	List of material topics	60	
102-48	Restatements of information	61	
102-49	Changes in reporting	61	
102-50	Reporting period	61	
102-51	Date of most recent previous report	61	
102-52	Reporting cycle	61	
102-53	Contact point for questions regarding the report	62	
102-54	Claims of reporting in accordance with the GRI standards	62	
102-55	GRI content index	62	
102-56	External assurance	62	

## Topic-specific standards

GRI standard		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 200:</b>	<b>ECONOMIC STANDARDS</b>		
<b>GRI 201:</b>	<b>ECONOMIC PERFORMANCE</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	Annual Report	
103-2	The management approach and its components	Annual Report	
103-3	Evaluation of the management approach	Annual Report	
201-1	Direct economic value generated and distributed	13, 14	
201-2	Financial implications and other risks and opportunities due to climate change	14	7, 8
201-3	Defined benefit plan obligations and other retirement plans	14	
<b>GRI 202:</b>	<b>MARKET PRESENCE</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	41, Disclosure Report on Remuneration Policy	
202-1	Ratio of standard entry level salary by sex and local minimum wage	Standard entry level salaries are based on collective bargaining agreements. Our job postings do not include any sex-specific specifications.	6
<b>GRI 203:</b>	<b>INDIRECT ECONOMIC IMPACTS</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	48	
103-2	The management approach and its components	48	
103-3	Evaluation of the management approach	48	
203-1	Infrastructure investments and services supported	48, 49	
203-2	Indirect economic impacts	48, 49	
<b>GRI 204:</b>	<b>PROCUREMENT PRACTICES</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	17, 18	
103-2	The management approach and its components	17, 18	
103-3	Evaluation of the management approach	17, 18	
204-1	Proportion of spending on local suppliers	18	

## Topic-specific standards

GRI standard		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 200:</b>	<b>ECONOMIC STANDARDS</b>		
<b>GRI 205:</b>	<b>ANTI-CORRUPTION</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	15, 16	10
103-2	The management approach and its components	15, 16	10
103-3	Evaluation of the management approach	15, 16	10
205-1	Operations assessed for risks related to corruption	16	10
205-2	Communication and training about anti-corruption policies and procedures	16	10
205-3	Confirmed incidents of corruption and actions taken	16	10
<b>GRI 206:</b>	<b>ANTI-COMPETITIVE BEHAVIOUR</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	15, 16	
103-2	The management approach and its components	15, 16	
103-3	Evaluation of the management approach	15, 16	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	17	
<b>GRI 300:</b>	<b>ENVIRONMENTAL STANDARDS</b>		
<b>GRI 301:</b>	<b>MATERIALS</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	50, 51	7, 8, 9
103-2	The management approach and its components	50, 51	7, 8, 9
103-3	Evaluation of the management approach	50, 51	7, 8, 9
301-1	Materials used by weight or volume	51, 52	7, 8, 9
301-2	Recycled input materials used	51, 52	7, 8, 9

## Topic-specific standards

GRI standard		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 300:</b>	<b>ENVIRONMENTAL STANDARDS</b>		
<b>GRI 302:</b>	<b>ENERGY</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	50, 51	7, 8, 9
103-2	The management approach and its components	50, 51	7, 8, 9
103-3	Evaluation of the management approach	50, 51	7, 8, 9
302-1	Energy consumption within the organisation	52, 53, 54	7, 8, 9
302-2	Energy consumption outside of the organisation	52, 53, 54	7, 8, 9
302-3	Energy intensity	52, 53, 54	7, 8, 9
302-4	Reduction of energy consumption	52, 53, 54	7, 8, 9
<b>GRI 303:</b>	<b>WATER AND EFFLUENTS</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	50, 51	7, 8
103-2	The management approach and its components	50, 51	7, 8
103-3	Evaluation of the management approach	50, 51	7, 8
303-3	Water withdrawal	55	7, 8
303-4	Water recirculation	55	7, 8
303-5	Water consumption	55	7, 8
<b>GRI 305:</b>	<b>EMISSIONS</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	50, 51	7, 8, 9
103-2	The management approach and its components	50, 51	7, 8, 9
103-3	Evaluation of the management approach	50, 51	7, 8, 9
305-1	Direct (scope 1) GHG emissions	55, 56	7, 8, 9
305-2	Energy indirect (scope 2) GHG emissions	55, 56	7, 8, 9
305-3	Other indirect (scope 3) GHG emissions	55, 56	7, 8, 9
305-4	GHG emissions intensity	55, 56	7, 8, 9
305-5	Reduction of GHG emissions	55, 56	7, 8, 9

## Topic-specific standards

GRI standard		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 300:</b>	<b>ENVIRONMENTAL STANDARDS</b>		
<b>GRI 306:</b>	<b>WASTE</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	50, 51	7, 8, 9
103-2	The management approach and its components	50, 51	7, 8, 9
103-3	Evaluation of the management approach	50, 51	7, 8, 9
306-2	Waste by type and disposal method	57, 58	7, 8, 9
306-4	Transport of hazardous waste	57, 58	7, 8, 9
<b>GRI 307:</b>	<b>ENVIRONMENTAL COMPLIANCE</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	50, 51	8
103-2	The management approach and its components	50, 51	8
103-3	Evaluation of the management approach	50, 51	8
307-1	Non-compliance with environmental laws and regulations	58	8
<b>GRI 308:</b>	<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	17, 18	7, 8, 9
103-2	The management approach and its components	17, 18	7, 8, 9
103-3	Evaluation of the management approach	17, 18	7, 8, 9
308-1	New suppliers that were assessed using environmental criteria	18	7, 8, 9
308-2	Negative environmental impacts in the supply chain and actions taken	18	7, 8, 9

## Topic-specific standards

GRI standard		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 400:</b>	<b>SOCIAL STANDARDS</b>		
<b>GRI 401:</b>	<b>EMPLOYMENT</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	38, 39, 40, 41	
103-2	The management approach and its components	38, 39, 40, 41	
103-3	Evaluation of the management approach	38, 39, 40, 41	
401-1	New employee hires and employee turnover	42	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	41	
401-3	Parental leave	42	
		We currently do not collect sex-specific figures.	
<b>GRI 402:</b>	<b>LABOUR/MANAGEMENT RELATIONS</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	38, 39, 40, 41	
103-2	The management approach and its components	38, 39, 40, 41	
103-3	Evaluation of the management approach	38, 39, 40, 41	
402-1	Minimum notice period regarding operational changes	43	

## Topic-specific standards

GRI standard		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 400:</b>	<b>SOCIAL STANDARDS</b>		
<b>GRI 403:</b>	<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	38, 39, 40, 41	
103-2	The management approach and its components	38, 39, 40, 41	
103-3	Evaluation of the management approach	38, 39, 40, 41	
403-6	Promotion of employee health	43, 44, 47	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	There are no occupational health and safety impacts directly linked to business relationships. To prevent such impacts, DZ HYP gives training courses and instructions.	
403-8	Employees covered by a management system for occupational health and safety	43	
403-9	Work-related injuries	43	
403-10	Work-related ill health	43	
<b>GRI 404:</b>	<b>TRAINING AND EDUCATION</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	38, 39, 40, 41	
103-2	The management approach and its components	38, 39, 40, 41	
103-3	Evaluation of the management approach	38, 39, 40, 41	
404-1	Average hours of training per year and employee	44	
404-2	Programmes for upgrading employee skills and transition assistance programmes	45	
404-3	Percentage of employees receiving regular performance and career development reviews	45 We currently do not collect figures specific to sex or employee category.	



## Topic-specific standards

GRI standard		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 400:</b>	<b>SOCIAL STANDARDS</b>		
<b>GRI 405:</b>	<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	38, 39, 40, 41	1, 2, 6
103-2	The management approach and its components	38, 39, 40, 41	1, 2, 6
103-3	Evaluation of the management approach	38, 39, 40, 41	1, 2, 6
405-1	Diversity of governance bodies and employees	46	1, 2, 6
405-2	Ratio of basic salary and remuneration of women to men	46	1, 2, 6
<b>GRI 406:</b>	<b>NON-DISCRIMINATION</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	38, 39, 40, 41	1, 2, 6
103-2	The management approach and its components	38, 39, 40, 41	1, 2, 6
103-3	Evaluation of the management approach	38, 39, 40, 41	1, 2, 6
406-1	Incidents of discrimination and corrective actions taken	46	1, 2, 6
<b>GRI 407:</b>	<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	38, 39, 40, 41	3
103-2	The management approach and its components	38, 39, 40, 41	3
103-3	Evaluation of the management approach	38, 39, 40, 41	3
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	46	3

## Topic-specific standards

GRI standard		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 400:</b>	<b>SOCIAL STANDARDS</b>		
<b>GRI 408:</b>	<b>CHILD LABOUR</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	17, 18	1, 2, 5
103-2	The management approach and its components	17, 18	1, 2, 5
103-3	Evaluation of the management approach	17, 18	1, 2, 5
408-1	Operations and suppliers at significant risk for incidents of child labour	18	1, 2, 5
<b>GRI 409:</b>	<b>FORCED OR COMPULSORY LABOUR</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	17, 18	1, 2, 6
103-2	The management approach and its components	17, 18	1, 2, 6
103-3	Evaluation of the management approach	17, 18	1, 2, 6
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	18	1, 2, 6

## Topic-specific standards

GRI standard		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 400:</b>	<b>SOCIAL STANDARDS</b>		
<b>GRI 412:</b>	<b>HUMAN RIGHTS ASSESSMENT</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	15, 16, <a href="https://dzhyp.de/codeofconduct">https://dzhyp.de/codeofconduct</a>	1, 2
103-2	The management approach and its components	15, 16	1, 2
103-3	Evaluation of the management approach	15, 16	1, 2
412-1	Operations that have been subject to human rights reviews or impact assessments	17, <a href="https://dzhyp.de/codeofconduct">https://dzhyp.de/codeofconduct</a>	1, 2
412-2	Employee training on human rights policies or procedures	17, <a href="https://dzhyp.de/codeofconduct">https://dzhyp.de/codeofconduct</a>	1, 2
<b>GRI 413:</b>	<b>LOCAL COMMUNITIES</b>		
413-1	Operations with local community engagement, impact assessments, and development programmes	6	1
<b>GRI 414:</b>	<b>SUPPLIER SOCIAL ASSESSMENT</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	17, 18	
103-2	The management approach and its components	17, 18	
103-3	Evaluation of the management approach	17, 18	
414-1	New suppliers that were screened using social criteria	18	
414-2	Negative social impacts in the supply chain and actions taken	18	
<b>GRI 415:</b>	<b>PUBLIC POLICY</b>		
415-1	Political contributions	30	

## Topic-specific standards

GRI standard		Page(s)/ URLs/comments	UN Global Compact
<b>GRI 400:</b>	<b>SOCIAL STANDARDS</b>		
<b>GRI 417:</b>	<b>MARKETING AND LABELLING</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	35	
103-2	The management approach and its components	35	
103-3	Evaluation of the management approach	35	
417-1	Requirements for product and service information and labelling	35	
417-2	Incidents of non-compliance concerning product and service information and labelling	35	
417-3	Incidents of non-compliance concerning marketing communications	35	
<b>GRI 418:</b>	<b>CUSTOMER PRIVACY</b>		
<b>GRI 103:</b>	<b>Management approach</b>		
103-1	Explanation of the material topic and its boundary	35	
103-2	The management approach and its components	35	
103-3	Evaluation of the management approach	35	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	36	

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