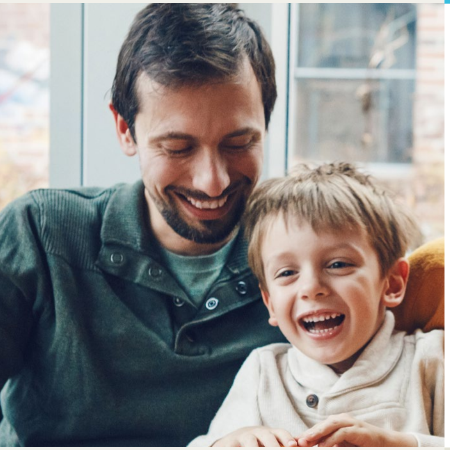


Sustainable Action for Berlin

IBB GROUP’S CLIMATE STRATEGY

www.ibbgruppe.de/en

IBB Gruppe

Contents

List of abbreviations and notations

Abbreviation	Meaning
CO_2e	Carbon dioxide equivalents
CSRD	Corporate Social Responsibility Directive
ESG	Environmental, Social, Governance
ESRS	European Sustainability Reporting Standards
GHG	Greenhouse Gas
MIS	Management Information System
PCAF	Partnership for Carbon Accounting Financials
SDGs	Sustainable development Goals
UV	Unternehmensverwaltung
VfU	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V.

1 Embedding sustainability in the IBB Group

As part of the IBB Group, Investitionsbank Berlin is the central development bank of the Federal State of Berlin and, as a public institution, promotes the economic and urban development of the region. Together with its sister companies, it plays a special role in guiding the federal state towards a climate-neutral future.

The Federal State of Berlin has committed itself to becoming a climate-neutral city by 2045. As a partner in this transformation process, the IBB Group supports Berlin's efforts to reduce its ecological footprint and adapt to climate change. This commitment is based on the 1.5°C goal of the 2015 Paris Agreement. The IBB Group actively promotes environmental protection within the scope of its funding and lending business and pursues a holistic sustainability and climate strategy that takes ecological, economic and social aspects into account.

In doing so, particular importance is attached to resource-efficient processes, climate protection, adaptation to climate change and supporting projects that contribute to achieving local and global environmental goals. The IBB Group recognises climate change as one of the greatest global challenges that has a profound impact on the economy, society and the environment.

Sustainability aspects are integrated at all levels, both in strategic and business policy decisions and in the design of funding instruments and the implementation of individual financing programmes. In addition, all capital market activities are guided by the principles laid down in the Treasury Sustainability Guideline.

Further information on key sustainability topics can be found in our Group Sustainability Statement in ESRS 2.

2 Climate strategy of the IBB Group

In addition to integrating the climate and sustainability strategy into the Group-wide business strategy, ESG goals, along with economic goals also defined in the target agreement between the Executive Board of IBB UV and the Board of Directors. These targets are also included in target agreements between the IBB Executive Board and the heads of the relevant departments and then transferred to the specific areas of responsibility. This approach ensures that ESG goals and risks are not viewed in isolation, but are integrated into every aspect of business operations, so that the impact can be measured in the long term and target achievement monitored.

Further information on the embedding of sustainability and the committees involved as well as the responsibility of the Executive Board for this topic can be found in the **Sustainability Guidelines** and in the **Climate Strategy Statement**.

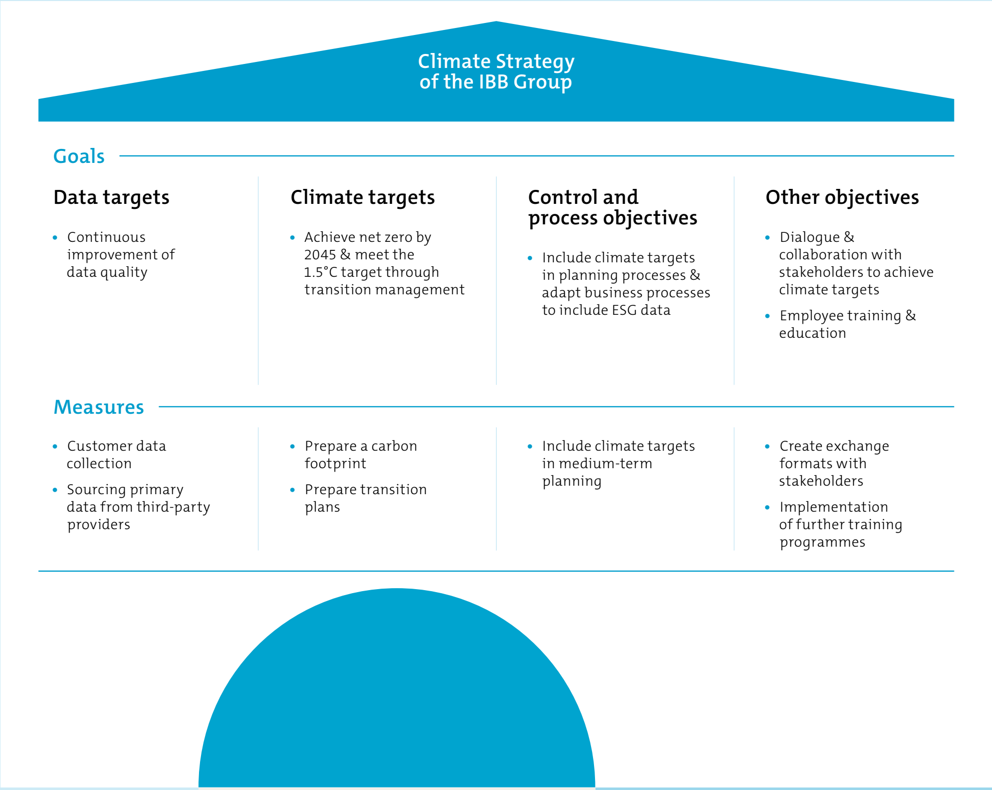
As part of the overarching sustainability strategy, the IBB Group's climate strategy includes climate targets for CO_2e-intensive sectors within the IBB portfolio, as well as goals related to data, steering and processes.

The preparation of the carbon footprint is a central part of the climate strategy. It delivers a comprehensive analysis of the emissions generated by financing activities and identifies the sectors with the greatest impact. Based on this, climate scenarios, reduction targets and reduction pathways have been defined which are based on scientifically sound market standards and geared towards the 1.5°C target of the Paris Agreement.

Responsibility for and management of the IBB Group's climate-damaging emissions includes both direct and indirect emissions in accordance with the GHG Protocol (Scope 1, 2 and 3). In particular, considerable importance is attached to recording and reducing Scope 3 emissions from financing and promotional activities (Scope 3.15 financed emissions), as they account for over 99 per cent of emissions.

With a focus on ESG factors, material risks are regularly monitored and communicated. They are tested using stress tests and climate scenario analyses, including climate and environmental risks. Sustainability risks are also incorporated into the risk strategy.

Fig. 1: Overview of climate strategy goals and measures



3 Carbon footprint of the IBB Group

3.1. Background

To achieve the 1.5°C target by 2045, a transition plan has been drawn up that maps out the measures and decarbonisation levers that are needed to reach this goal.

These include:

- Incentivising climate-friendly financing and the development and introduction of new products
- Dialogue and support in implementing customer transition plans
- Actively approaching existing customers and jointly developing possible financing models for transformation

The carbon footprint of the IBB Group provides the basis for this transition plan. It was prepared for the first time 2023, taking into account Scope 3.15 emissions, i.e. financed emissions.

3.2. Methodology for determining the carbon footprint

The IBB Group uses the standard industry tool from VfU (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V.) to determine Scope 1, Scope 2 and Scope 3 (categories 1 to 14) emissions, i.e. emissions from its own operations. More information about this tool can be found in the **Climate Strategy Statement**.

Greenhouse gas emissions for Scope 3.15, i.e. financed emissions, were calculated in accordance with the guidelines of the **Partnership for Carbon Accounting Financials (PCAF)**. A standardised PCAF framework was used here, which is based on scientifically sound methods and specific emission factors. The emission data determined as part of the carbon footprint comes from primary customer data or was derived using average values. The PCAF methodology represents the industry standard used by financial institutions to calculate financed emissions.

3.3. Carbon footprint of the IBB Group

The following CO_2e emissions of the IBB Group were calculated for the 2023 financial year:

Emissions	Emissions in tCO_2e
Scope 1	2.9
Scope 2	300.37
Scope 3	5,144,874.76
Total GHG emissions	5,145,178.03

The majority of emissions can be attributed to indirect emissions in Scope 3 at IBB. The sister companies account for only a small proportion of emissions.

The carbon footprint identified two key sectors that account for a large proportion of the IBB Group's total emissions. These are the "real estate" and "energy supply" sectors.

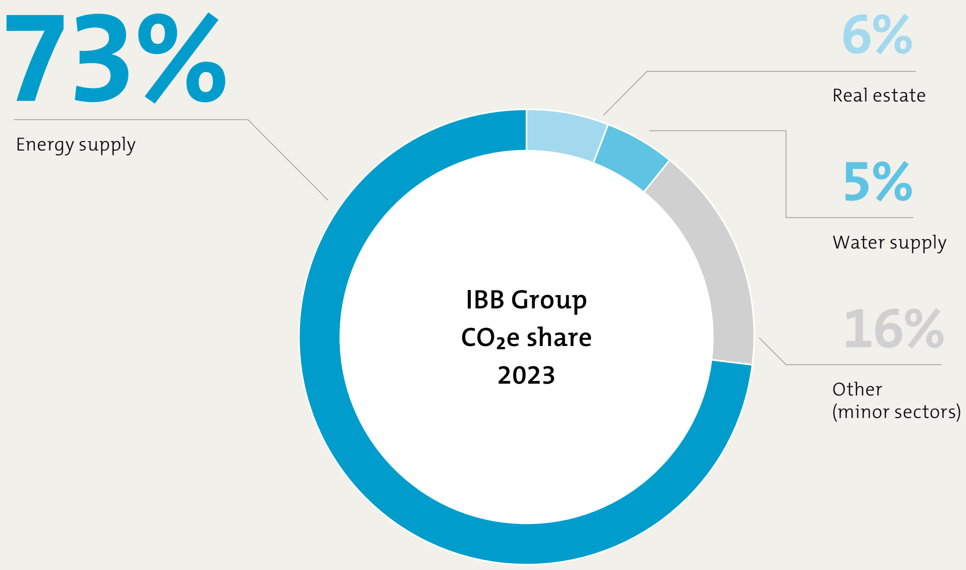
The following emissions are attributable to both sectors:

Sectors with the highest emissions	Financed emissions (in tCO_2e)	Share in total emissions of the Group
Energy supply	3,744,168	73%
Real estate	302,800	6%
Total key sectors	4,046,968	79%

Sector targets as well as measures and decarbonisation levers for these two key sectors have been defined in a transition plan, which must be met in order to achieve the 1.5°C target by 2045.

The remaining financed emissions are distributed to a lesser extent across the "Water supply" sector and other minor sectors, which are summarised under "Other":

Fig. 2: Breakdown of financed emissions by key sectors



4 Transition

4.1. IBB Group's reduction pathway

The greatest leverage for decarbonisation lies in the financed emissions in Scope 3.15. No climate-related targets and measures were therefore defined for Scope 1 and 2. The carbon footprint is recorded on an ongoing basis at regular intervals and monitored in terms of its materiality and development for the IBB Group. The core business of development and lending covers more than 99% of the IBB Group's CO_2e emissions. The carbon footprint as at 31 December 2023 shows the following transition pathways for the IBB Group:

Fig. 3: Reduction pathway of the IBB Group (intensity in gCO_2e/€)

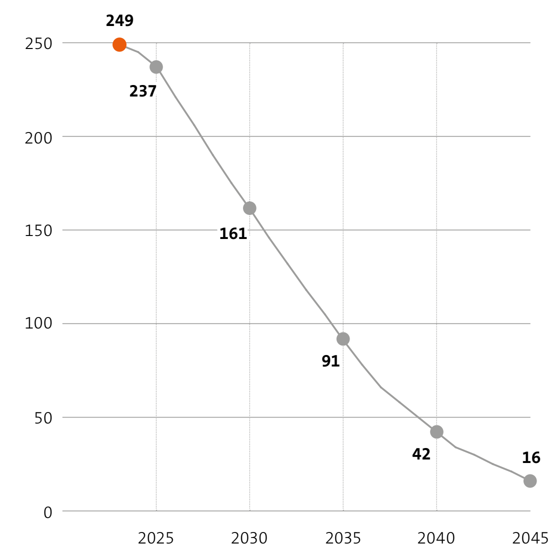
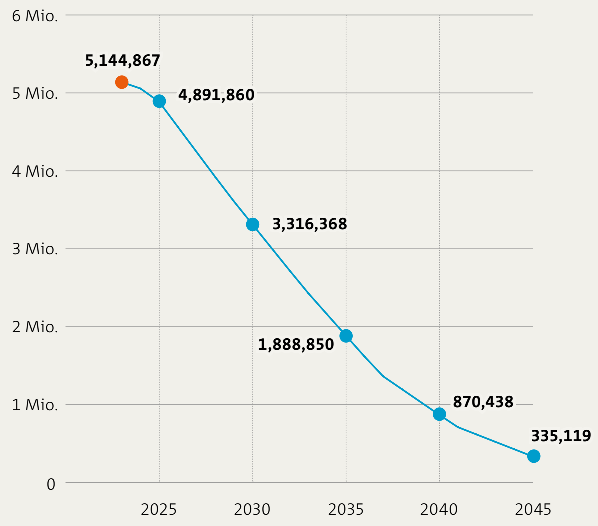


Fig. 4: Reduction pathway of the IBB Group (absolute, in tCO_2e)



4.2. Methodology

The target reduction pathways which were drawn up for the two main sectors "energy supply" and "real estate" are based on scientific climate scenarios for achieving the 1.5°C target. They form the basis for control and thus support the climate-related targets set by the IBB Group. Commercial real estate accounts for only a smaller share of this and, although monitored, it is not part of the control system. Target achievement is continuously measured and reviewed as part of the annual Group Sustainability Statement.

More information on the methodology of the transition pathway can be found in the Climate Strategy Statement.

The baseline values correspond to the emissions from the base year as at 31 December 2023. Both target pathways are determined on the basis of emission intensities; in the energy supply sector in gCO_2e/kWh, in the real estate sector in $kgCO_2e/m^2$. This results in a reduction pathway for the energy supply sector (see Fig. 5). This also results in a reduction pathway for the real estate sector (see Fig. 6).

Fig. 5: Reduction pathway in the energy supply sector (in gCO_2e/kWh)

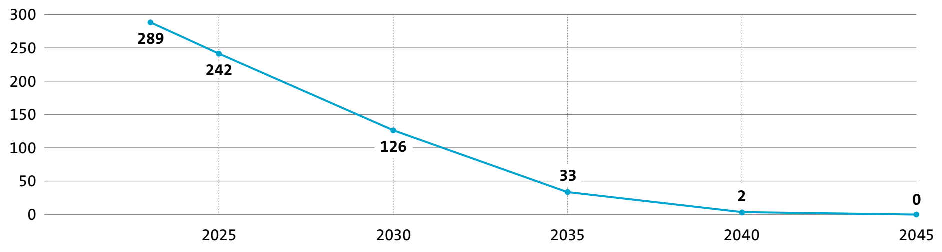
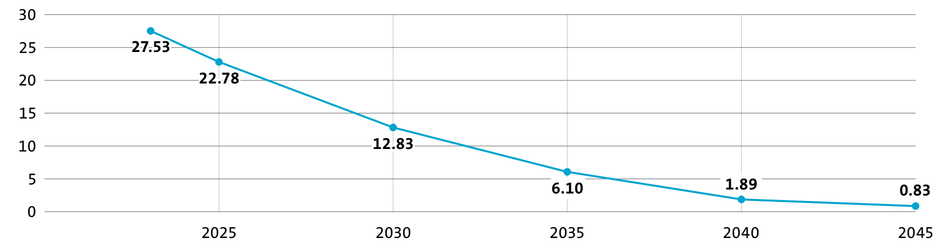


Fig. 6: Reduction pathway in the real estate sector (in $kgCO_2e/m^2$)



5 Measures for the transition of the portfolio

As part of ongoing efforts to reduce greenhouse gas emissions, specific GHG emission reduction targets have been set for the Scope 3.15 category. These targets are expressed both in absolute values (tonnes of CO_2 equivalents) and as intensity values.

The objectives encompass the main sub-portfolios of the business development as well as Housing and Real Estate development business areas. The baseline and targets for the real estate sector reflect residential property and are consistent with 92% of the financed emissions in the portfolio of the “Housing and Real Estate development” business area. The baseline and targets for the energy supply sector are consistent with 83% of the financed emissions in the portfolio of the “Business development” business area. Corresponding measures to achieve the targets and decarbonisation levers have been defined for both key sectors in the transition plans.

In 2023, the reference value in the energy supply sector totals 3,741,015 tCO_2e and in the real estate sector a total of 279,170 tCO_2e.

Further information on the reduction targets can be found in the **Climate Strategy Statement**.

6 Progress reporting, review and adjustmentss

In order to effectively plan, manage and monitor the climate and ESG targets, the IBB Group collects a wide range of non-financial data points in accordance with the European Sustainability Reporting Standards (ESRS). The responsible departments within IBB and its affiliated companies record these metrics across all areas and consolidate them in the Group Sustainability Statement. In addition to this, specific control variables, such as physical intensity, are collected for individual business activities and regularly reported internally to the Executive Board through the Management Information System (MIS). This integrated data basis enables targeted monitoring of goal achievement in line with the overall business strategy.

The IBB Group's transition plan is designed as a dynamic management tool that is continuously adapted to new regulatory requirements, scientific findings, market developments and relevant stakeholder expectations. The key drivers of adaptation are, in particular, regulatory changes, improved climate data, changing calculation standards and feedback from the field. Regular reviews of the transition plan, which take place at least once a year as part of the Group Sustainability Statement, ensure that it is always up to date and effective. The control measures derived from this have been developed and are currently being implemented.

The integration of climate targets into the core business of the IBB Group is at the heart of the climate strategy. This goal reflects a responsible and forward-orientated funding policy. The carbon footprint prepared on the basis of the PCAF methodology has identified two key transformation levers: the "energy supply" and "real estate" sectors. These sectors are steered along specific transition pathways, with the underlying steering mechanisms being regularly reviewed and adjusted as required. The aim is to intervene at an early stage, thus making an effective contribution to meeting the 1.5°C target of the Paris Agreement.

With the climate strategy described here, the IBB Group has established a structured and integrated framework to actively support the transition towards a climate-neutral economy. By systematically integrating climate and ESG targets into its core business and regularly reviewing and updating the transition plan, the Group ensures that strategic measures remain effective and future-ready. Focussing on particularly relevant sectors and integration into existing steering and reporting systems enables targeted management and progress monitoring. The IBB Group is thus making a significant contribution to the implementation of climate targets in Berlin.

Imprint

Published by
Investitionsbank Berlin
Bundesallee 210,
10719 Berlin, Germany
Phone: +49 (0) 30 / 2125-0
www.ibbgruppe.de

Copy and Editing
André Meinecke, Katharina Peters, Julia Kühle

Design and Production
Heimrich & Hannot

Photos
Anna Kraynova/AdobeStock | Copyright (p. 1)
rawpixel/AdobeStock | Copyright (p. 1)
Halfpoint/AdobeStock | Copyright (p. 1)
Nikada/iStock | Copyright (p. 3)
Investitionsbank Berlin (p. 3)
querbeet/iStock | Copyright (p. 5)
Nikada/iStock | Copyright (p. 6)
Halfpoint/AdobeStock | Copyright (p. 8)
fizkes/AdobeStock| Copyright (p. 9)

Revision date
December 2025

IBB Unternehmensverwaltung
Bundesallee 210
10719 Berlin, Germany

Phone: +49 (0) 30 / 2125-0

www.ibbgruppe.de/en

IBB Gruppe