



INSTONE - FOUNDATIONS FOR A GOOD LIFE.

# TNFD Report 2025

# The Instone Group in figures

As one of Germany's leading residential real estate developers, the Instone Group is committed to sustainable and forward-looking neighborhood development. Our KPIs transparently show how we balance environmental responsibility, social added value and economic stability. They explain how we incorporate environmental aspects and long-term requirements into the planning, development and decision-making processes for our residential projects and how we further develop these. We consider sustainability to be a holistic requirement that extends throughout the entire life cycle of our projects - from planning and implementation to operation. With clear goals, measurable progress and a responsible use of resources, we create long-term value for cities, residents and our partners.



# 100%

of our properties achieve NZEB -10%, i.e. correspond to the maximum energy consumption of a taxonomy-aligned building as per EPBD.



The goal is to achieve climate neutrality i.e. net zero for all GHG emissions along the value chain by

# 2045



# > 1.4 million m<sup>2</sup>

space that we have created since 1991.



# 8

Locations + headquarters - presence in all of Germany's metropolitan regions.



# 422

employees  
(As at: 31/12/2025)

## About this report

Nature-related dependencies, impacts, risks and opportunities are of fundamental importance to our business model as project developers because site decisions, land use and construction activities are directly linked to natural resources and ecosystems. With this report, we are disclosing information for the first time in accordance with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), thereby creating transparency for our stakeholders. Application of the TNFD framework helps us to systematically integrate nature-related aspects into governance, strategy and risk management, as well as into KPIs and targets, and to continually refine our decision-making and management processes.

This report also includes an image section with illustrative project examples. A responsible approach to nature and biodiversity not only strengthens the resilience of our business model, but also increasingly shapes the perception of our company among investors, local authorities, partners and the general public. As an early adopter, we actively contribute to the establishment of nature-related reporting practices in the real estate industry while underscoring our commitment to implementing sustainable development in a credible and transparent manner. We use the insights gained to identify nature-related risks at an early stage, to exploit opportunities and to align our projects with the goals of an environmentally compatible economy in the long term. At the same time, transparent reporting strengthens our positioning as a responsible and forward-looking market player.



Here you will find our  
[Annual Report 2025](#) and  
[Sustainability Report 2025](#)  
 or visit our [website](#).

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## Preface

### DEAR READERS,

The development of housing and neighborhoods is inextricably linked to the use of natural resources. For us as project developers, this means that nature-related aspects are part of our responsibility and also a relevant factor for robust business practices and successful project management. The condition of soils, water balances and ecosystems impacts permits, construction processes, risk profiles and long-term intrinsic value. Biodiversity is therefore important from an ecological and a strategic perspective.

For us, having **courage and foresight** means recognizing developments early on and taking responsibility before regulatory requirements dictate it. With this report, we are disclosing information for the first time in accordance with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). We are the first company in the German real estate industry to apply this framework voluntarily in order to further strengthen structures for systematically integrating nature-related dependencies, risks and opportunities into our corporate governance while simultaneously increasing transparency for investors, financing partners and other stakeholders.

The application of the TNFD framework helps us embed nature-related topics into governance, strategy and the management of risks and impacts and make these understandable using KPIs and targets. In this way, we optimize the **competence and quality** of our decision-making structures and are able to proactively manage projects according to environmental and economic requirements.

*“Nature-related responsibility strengthens our bases for decision-making, reduces risk and secures long-term value.”*

David Dreyfus  
CFO



**Dialog and partnership** are key success factors here. Nature-related questions cannot be answered in isolation. They require close cooperation with local authorities, investors, financing partners, planning teams and other stakeholders along the value chain. Internally, we are putting this into practice by anchoring the Sustainability & Transformation unit in the Finance and Accounting department. This enables us to look at environmental and economic issues consistently together and consider sustainability, including biodiversity, as an integral part of our financial management.

With this first TNFD report from the Instone Group, we are laying the foundation for the systematic expansion of our nature-related management and evaluation methodology. Our aim is to translate the insights gained into binding company-wide standards, concrete and measurable targets, and a KPI system relevant for management. On this basis, we integrate nature-related resilience into our decision-making processes, project development and overall corporate governance in a targeted way. In the context of structurally high demand for sustainable housing, we regard environmental sustainability as development logic in which nature-sensitive planning, regulatory frameworks and economic viability are ever more closely intertwined in the long term.

I would like to invite you to read this report and the selected project examples to gain an insight into how the Instone Group combines nature-related responsibility with value creation.

Best regards, David Dreyfus



**David Dreyfus**

CFO

## nyoo lime - living space between the city and the lake landscape

nyoo lime is being built in the new district of 6-Seen-Wedau in Duisburg – an environment consisting of lakes, green spaces and mature ecosystems. This location places high demands on responsible development: there is a great need for housing, but at the same time it is important to respect natural structures, protect the water and soil balance and support the microclimate in the neighborhood. The project shows how residential district development can be implemented under such conditions and what measures are necessary to develop areas in a manner compatible with nature. On the site covering around 7,900 m<sup>2</sup>, 16 townhouses and 69 apartments in four multi-family buildings will be built. The buildings are being constructed using timber and timber hybrid construction, an approach that reduces the use of CO<sub>2</sub>-intensive materials and binds the carbon stored in the timber in the structure in the long term.

### **NEAR-NATURAL CONSTRUCTION AND OPEN SPACE**

The construction measures are supplemented by a consistently nature-related approach to exterior design. Facades and balconies will receive targeted greening, inner courtyards are being planted with perennial plants, grasses and shrubs. These elements create feeding and refuge areas for insects and birds and can encourage biodiversity in the urban area. The design is deliberately open and does not include any fences or walls. This approach facilitates neighborly contact and enables ecological connectivity, something that is often lacking in urban areas.

### **PROFILE:**

**Location:** Duisburg, 6-Seen-Wedau  
**Plot:** 7,922 m<sup>2</sup>

#### **Development:**

- 16 townhouses (solid timber)
- 69 apartments in 4 apartment buildings (timber hybrid)

#### **Energy and climate:**

- Efficiency House 40
- QNG certification expected, DGNB Gold/Platinum envisaged
- District heating + photovoltaic tenant electricity
- Distinction as KlimaQuartier.NRW

#### **Nature and open space:**

- Green roofs, facades, balconies
- Water-sensitive drainage, natural seepage
- Naturalistic design courtyards, no fences



Copyright: 3D RenderMachine GmbH

The mobility options also adhere to the resource-saving approach: pre-equipped parking spaces for e-mobility, sharing solutions for bicycles and cargo bikes, and a direct link to local public transport reduce traffic-related environmental burdens and complement the structural measures meaningfully.



Green neighborhood square with recreational and playground areas for a vibrant shared community.

*“At nyoo lime, we are connecting ecological requirements with a clear planning system.”*

**Stefan Dahlmanns**  
Managing Director Nyoo Real Estate GmbH

### WATER-SENSITIVE SOLUTIONS

Managing rainwater and surface water is an integral part of the project. The flat roofs will be extensively planted and can accommodate rainwater, store it and release it again after a certain period of time. On the site itself, the water is kept close to the surface and can seep away there. This principle takes the pressure off the sewer system, reduces the risk of local flooding during heavy rainfall and supports the natural water balance of the neighborhood.

Greening of roofs also contributes to a more balanced microclimate. Evaporation produces a noticeable cooling effect on warm days, reducing the heating of the surrounding area – a relevant factor in view of increasing heat stress in cities.

### SUSTAINABLE IMPACT OVERALL

The combination of timber construction, high energy efficiency, renewable energies, water-sensitive infrastructure and nature-related outdoor space design results in traceable effects. In 2023, nyoo lime was recognized as “KlimaQuartier.NRW” – a label certifying neighborhoods that set new standards in climate protection and social interaction.



Timber hybrid construction and planted facades – urban architecture with environmental impact.

At the same time, the design also helps to strengthen local biodiversity, relieves the pressure on the urban water system and improves the microclimate. All buildings meet the Efficiency House 40 standard. The multi-family buildings are designed for QNG as well as DGNB Gold or Platinum. This will be supplemented by district heating and photovoltaic installations. The district heating operator is following a clear path to decarbonization by 2035, while the photovoltaic systems directly benefit the residents via a tenant electricity model. nyoo lime shows how environmental, climate-related and social aspects can be combined in an urban residential district. The measures are technically comprehensible and suitable for everyday use, but at the same time they are sufficiently consistent to achieve an ecological impact. This clearly shows how contemporary neighborhood development can be designed to be nature-friendly and future-proof.



**PROFILE:**

**Location:** Nuremberg, Lake Wöhrder  
**Plot:** approx. 16,500 m<sup>2</sup>

**Development:**

- 6 apartment buildings
- 180 condominiums

**Energy and climate:**

- Efficiency House 40
- QNG Plus
- Photovoltaic systems + air heat pumps
- Rainwater management with 100% recirculation to Lake Wöhrder

**Nature and open space:**

- Green roofs
- Desealing
- Existing trees preserved, new planting
- Species protection measures

Development environment on Lake Wöhrder in Nuremberg.

Seepalais – from sealed commercial complex to nature-oriented residential district

On the north bank of Lake Wöhrder in Nuremberg, an open-space residential district is being built on a previously largely sealed commercial area. Seepalais follows the approach of integrating natural processes in such a way that the neighborhood development fits into the local context. The design builds on existing structures, reduces adverse impacts and creates environment-oriented housing in one of southern Germany's most dynamic cities.

**FROM ALMOST 40% SEALING TO A MORE ENVIRONMENTALLY STABLE SYSTEM**

The starting position was clear: around 12,500 m<sup>2</sup> of the area consisted predominantly of water-impermeable surfaces. This will be reduced to 3,400 m<sup>2</sup> with the development of the Seepalais neighborhood. Total green space doubles to 8,700 m<sup>2</sup>. This creates a cohesive green space on a previously ecologically undeveloped commercial area that will support seepage, microclimate effects and habitat structures for plants, insects and urban birds. Courtyards, pathways, shade cover and biodiversity spaces are combined, creating more favorable conditions for fresh air movement and facilitating the establishment of vegetation structures through less sealing of surfaces.

**KEEPING WATER CIRCULATING - 100% RECIRCULATION TO LAKE WÖHRDER**

A key aspect of the planning is the recirculation of rainwater into Lake Wöhrder, an urban recreational area. On a retention area of over 8,600 m<sup>2</sup> on roofs and underground garage ceilings, rainwater is

retained, released after a period of time and fully channeled into the lake. This keeps water in local circulation and can stabilize hydrological processes. Assessments do not anticipate any relevant accumulation; the groundwater flow will remain unchanged. The rainwater strategy thus shows how neighborhood planning can follow the conditions of an ecosystem and constructively translate nature-related dependencies.



Biodiversity and recreational areas in the connected neighborhood.

Images: Alexander Tschopoff

*“We are not developing the Seepalais rigidly in nature, but from an understanding of local ecological processes. If retention, green spaces and species protection are part of the planning process from the beginning, neighborhoods are created that function in a stable manner over the long term.”*

**Andreas Zeitler**  
Managing Director Bavaria  
Instone Real Estate Development GmbH

**TREE POPULATION AND NEW VEGETATION STRUCTURES**

The planning for Seepalais continues to follow the principle of securing substance, compensating for interventions and increasing structural diversity. On the site, 110 trees will be retained and 108 new plantings will combine selected species, site resilience and flowering and habitat functions. The result is a species-rich and climate-resilient vegetation structure with seasonal structural gains. This effect continues with around 4,900 m<sup>2</sup> of roof greening. It expands green spaces into the third dimension and increases cooling potential and habitat quality. Different flowering and habitat structures create more favorable conditions for pollinators and small birds – effects that are easily understood in everyday life.



Architecture combined with open space – Seepalais in Nuremberg.

**SPECIES PROTECTION – FUNCTIONAL ALTERNATIVE ACCOMMODATION AND ECOLOGICAL BUILDING SUPPORT**

Species protection is also an integral part of the planning. It will be structurally integrated into the development of the Seepalais neighborhood – from nesting modules to ecological construction supervision including monitoring. Included are a swift tower with several nesting chambers, bat boxes and half-hollow nesting boxes, as well as construction-related measures for amphibian and tree protection.

**PROJECT LOGIC AND SOCIAL TRANSFORMATION GOALS**

The sustainability logic of Seepalais is not isolated but fits within the context of societal goals. The neighborhood is designed to meet the technical and sustainability requirements under which purchasers benefit from the incentives of the Growth Opportunities Act (including diminishing depreciation and additional special depreciation). It thus represents a development logic in which residential areas are conceived as building blocks of resilient urban ecology and in which regulatory requirements and sustainable residential development are increasingly intertwined. [➤ Instone | Seepalais](#)

Parkstadt Leipzig -  
monument protection and  
open space in the increased  
building stock

Parkstadt Leipzig is being built in the Dösen district on a site of around 14 hectares which was used as a park hospital in the past. The site was created at the beginning of the 20th century as an extensive sanatorium with pavilion buildings and an adjacent landscape park. Large green spaces, old tree structures and the open pavilion architecture shape the character of the site to this day. The key challenge is to integrate around 600 residential units into 24 listed existing buildings and 21 new buildings in such a way that the landscape qualities of the site are preserved and ecological functions of the site are supported.

**NATURE-ORIENTED OPEN SPACES, WATER MANAGEMENT AND SPECIES PROTECTION IN THE NEIGHBORHOOD**

A key element is the handling of the existing green spaces and open spaces. The project largely conserves the old tree population and supplements it with new plantings. In many areas, planning consciously focuses on nature-oriented design. Perennial planting areas, meadow orchards, structural hedges and different maintenance and mowing regimes (for example, staggered mowing/ mowing in sections) ensure diversity of habitats. In some cases, the new buildings will have greened facades, creating additional vertical vegetation areas. The planning identified several species typical of the area, including the green woodpecker, pantaloon bee, dwarf bat and nightingale. Targeted measures have been developed and implemented for

**PROFILE:**

**Location:** Leipzig Dölitz-Dösen, Parkstadt

**Plot:** 140,000 m<sup>2</sup>

**Development:**

- Around 600 residential units
- 24 listed buildings and 21 new buildings
- Renovation in keeping with listed building status
- New buildings at least KfW 55

**Energy and climate:**

- Own district heating network and heat pumps
- Partly greened facades
- Low-traffic neighborhood structure
- Rainwater management via seepage areas

**Nature and open space:**

- Largely preserved mature tree stock (natural monument)
- Near-natural green spaces
- Deadwood structures, fruit tree planting, breeding niches and nesting aids
- Ecologically designed play and recreational areas



Aerial view of Parkstadt Leipzig residential district with natural monuments.

Pavilion buildings refurbished in line with listed building requirements – situated in an established park with mature trees.



these species – for example, breeding niches and nesting aids as well as structurally diverse areas with staggered mowing, fruit tree plantings and linear deadwood elements. The newly created playgrounds are also being created in a natural way taking species conservation into account and blending into the existing green framework.

The open space design follows a permeable concept. The planning largely dispenses with fences and enclosures, creating a cohesive green space that can support ecological connectivity and maintain the open nature of the park. Numerous routes are available to the public as pedestrian and cycle paths; motorized traffic is excluded. The natural water balance of the area plays an important role for vegetation and climatic comfort. Rainwater drains off close to the surface and seeps away into suitable areas. Green facades and other planted areas can increase evaporation capacity and contribute to a more balanced microclimate on hot days. The quiet, low-traffic structure of the neighborhood further enhances these climatic environmental effects.

#### EXISTING BUILDINGS, ENERGY AND NEIGHBORHOOD STRUCTURE

The new buildings meet at least the KfW 55 standard. Heat is supplied via a dedicated district heating network and heat pumps. The existing building is being upgraded in accordance with listed

*“Parkstadt Leipzig shows how listed building protection and the preservation of valuable nature and tree structures can be combined with an exemplary socially mixed residential development, creating a residential environment that can be lived in by a broad range of residents and strengthening the ecological functions of the neighborhood.”*

#### Saidah Bojens

Manager Berlin and Saxony  
Instone Real Estate Development

building regulations and its energy efficiency will be improved – an approach that reduces the use of materials while simultaneously preserving the historical structure.

Parkstadt Leipzig is being built as a residential district that consistently refers to the landscape-dominated surroundings. Nature conservation measures, historic building protection and climate protection measures are being made accessible to a diverse population. The preservation of historic buildings, protection of valuable trees and open space, natural green spaces and targeted measures for species protection are combined with a socially balanced neighborhood development to form an integrated overall concept. Energy-efficient new buildings and a quiet, low-traffic structure complement these qualities and safeguard them over the long term. Environmental, social and structural requirements are thus systematically brought together at neighborhood level. [Instone | Parkstadt Leipzig](#)



Energy-efficient new buildings, supplemented by naturalistic recreational areas and diverse green structures.

## TNFD in figures

The following six TNFD KPIs provide an initial overview of our key nature-related dependencies, impacts, risks and opportunities. They condense complex biodiversity and ecosystem relationships into control-related variables and show the areas in which our business activities are particularly closely linked to natural resources and ecological systems. In doing so, they create transparency about where our greatest influence lies and, at the same time, where material risks and opportunities arise for our long-term performance.

As overarching control indicators, these KPIs form the basis for prioritizing measures, further developing our projects and integrating nature-related aspects into decision-making processes. They make it possible to understand our current level of performance, show progress over time and define the strategic direction in which we are increasingly aligning our portfolio in a way that is environmentally friendly, resilient and fit for the future.



**259,556.3**  
tCO<sub>2</sub>e  
Scope 3 emissions



**63,193** m<sup>2</sup>  
green roofs  
constructed



**983**  
newly planted trees



Consideration of  
biodiversity in  
**79%**  
of projects



**90,661** m<sup>2</sup>  
green room  
spaces developed



**18,406** m<sup>2</sup>  
compensation  
areas created

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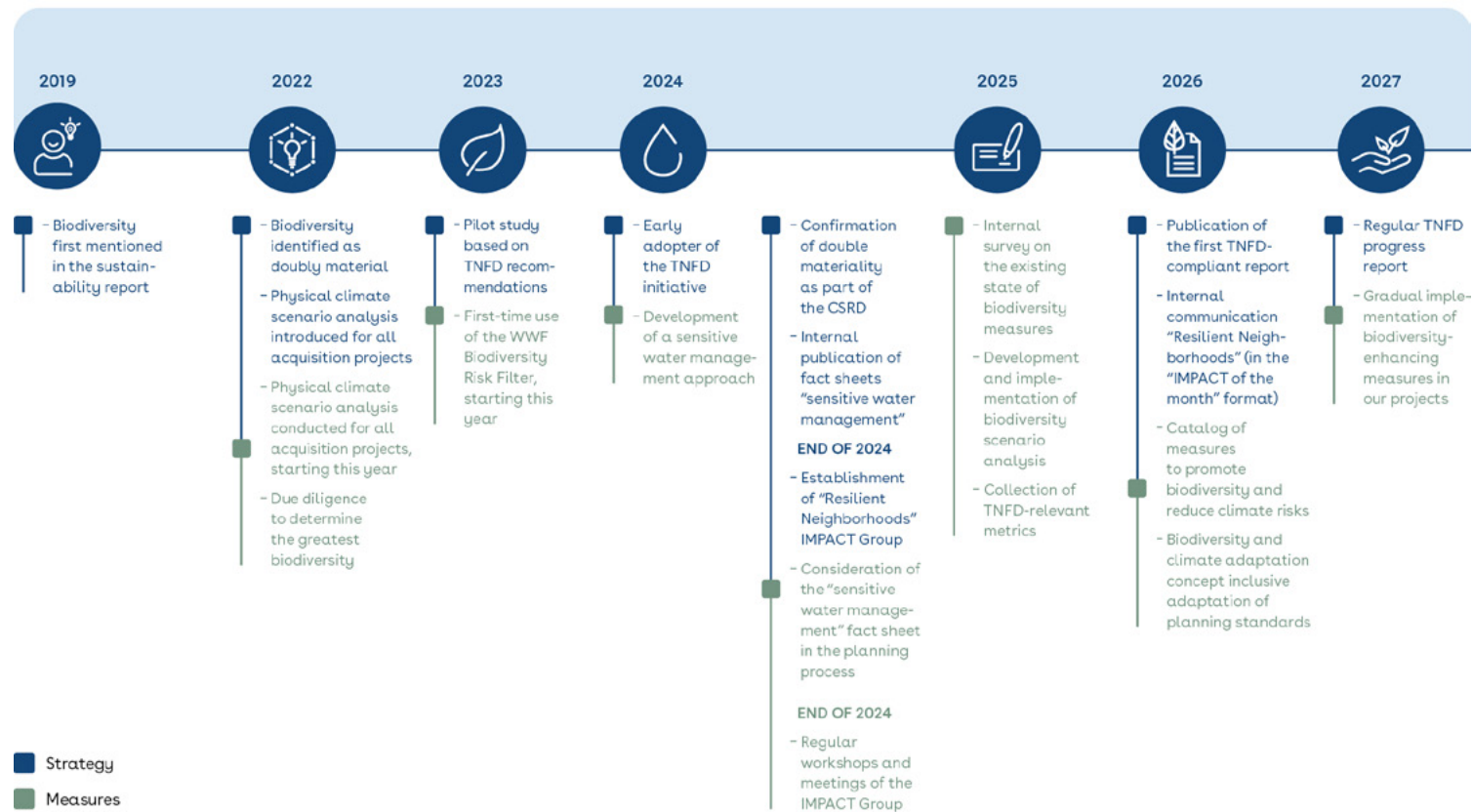
## TNFD Biodiversity Roadmap

The overview below shows our TNFD Biodiversity Roadmap since 2019 and combines the developments to date with a clear future perspective.

The key milestones achieved on our journey are visualized. The strategic milestones are highlighted in blue for better classification, while the measures implemented are shown in green.

### Our TNFD Biodiversity Roadmap

FIGURE 001



**Our company**

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**TNFD Biodiversity Roadmap**

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## Introduction

### THE INSTONE GROUP

Instone Real Estate Group SE and its subsidiaries (hereinafter also referred to as “Instone Group”) are among the leading developers of residential real estate in Germany. The shares are listed in the Prime Standard of Deutsche Börse. The Instone Group develops residential and multi-family buildings, publicly subsidized housing and modern residential neighborhoods and also renovates listed properties. These are marketed to owner-occupiers, private investors and institutional investors. As of 31 December 2025 the Instone Group employs 422 people at eight locations and at its headquarters. The portfolio comprises 48 projects with around 14,089 units and an expected total marketing volume of approximately €7.1 billion. With over 30 years of experience in the sector and a comprehensive project portfolio, we make a significant contribution to creating housing in urban growth regions and offer real estate solutions to both owner-occupiers and investors.

In addition to the traditional core offering – the individually planned development of rental and owner-occupied apartments – the Instone Group also implements standardized planned and serially constructed new apartments via its subsidiary Nyoo Real Estate GmbH. These projects are located in peripheral metropolitan areas and in well-connected B and C cities, with construction costs that are significantly lower. As part of the corporate strategy, the nyoo product is intended to be the Group’s key medium-term growth driver.

As a project developer, we play a central role in the construction and development process. We acquire suitable plots and initiate and manage the projects, while the construction is carried out by partner companies. We are responsible for planning, overall coordination and adherence to sustainable standards. Working closely with cities and local authorities, we often create building law to ensure need-oriented, forward-looking neighborhood development.

The planning phase forms the basis of each construction project. External specialists such as architects, engineers and consultants are involved in order to ensure feasibility, design and technical details. This phase is allocated to the upstream value chain. This does not apply to Nyoo Real Estate GmbH, as they provide the planning services through their own team. The upstream value chain also includes raw material extraction and the production of construction materials.

After completion of the construction projects, the apartments are sold. The downstream value chain focuses on the operation and disposal of the properties. These areas mainly comprise GHG emissions and the energy consumption during the use phase and are outside our sphere of action.

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Our value chain

FIGURE 002



An overview of the impacts, risks and opportunities of our value chain can be found in the Appendix on [page 56](#).

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OUR MOTIVATION

Our activities as a project developer are inextricable linked with natural resources and ecosystems. The real estate industry is responsible for almost 30% of global biodiversity loss. A crucial opportunity is thus provided to create environmental, social and economic added value by integrating biodiversity into strategy and decision-making processes.<sup>1</sup>

We were the first German company in the real estate industry to make a conscious decision to comply early on with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and to integrate them into our corporate governance. Against this backdrop, we are publishing a report in accordance with the TNFD recommendations not only as part of regular ESG reporting but also in a standalone format. As an early adopter, we are thus making an active contribution to the development and establishment of nature-related reporting standards even before regulatory requirements take effect.

This early positioning allows us to systematically identify, internally manage and transparently disclose nature-related dependencies, impacts, risks and opportunities. Particularly in the context of project development – where location decisions, land use and environmental impacts are closely intertwined – we consider the TNFD recommendations to be a forward-looking management instrument.

Our role as an early adopter underscores our mission of assuming responsibility, driving innovation in sustainability management and designing our projects in line with the goals of an environmentally compatible economy. At the same time, we are gaining experience that we actively contribute to the ongoing development process of the TNFD framework. We see nature-based disclosure not only as a compliance issue but also as a strategic tool for increasing value and reducing risk throughout the life cycle of our real estate projects.

Our reporting as part of the TNFD is aimed at all relevant stakeholders as well as other interested groups who are concerned with the biodiversity-related dependencies, impacts, risks and opportunities of our business model. In particular, this includes investors, analysts, representatives of public authorities and municipalities, business partners, customers and environmental and professional organizations. By providing transparent information on our nature-related impacts, we aim to create a comprehensive understanding of our procedures, our management approaches and our long-term strategic orientation in the area of biodiversity.

**The Instone Group's definition of biodiversity**

In project development, we understand biodiversity to mean the diversity and functionality of ecosystems, their habitats, species, and their ecological processes and services at and around our project site. In our own activities, we take biodiversity into account in the acquisition process, through the ecological assessment of potential plots and along the entire value chain, from the extraction of raw materials and the production of building materials to the operational emissions of the finished buildings. Our goal is to avoid or minimize negative impacts and to make positive contributions to the environmental quality, connectivity and resilience of the environment through planning and implementation.

<sup>1</sup> <https://www.pwc.de/en/real-estate/pwc-study-real-estate-and-biodiversity-a-critical-nexus.pdf>

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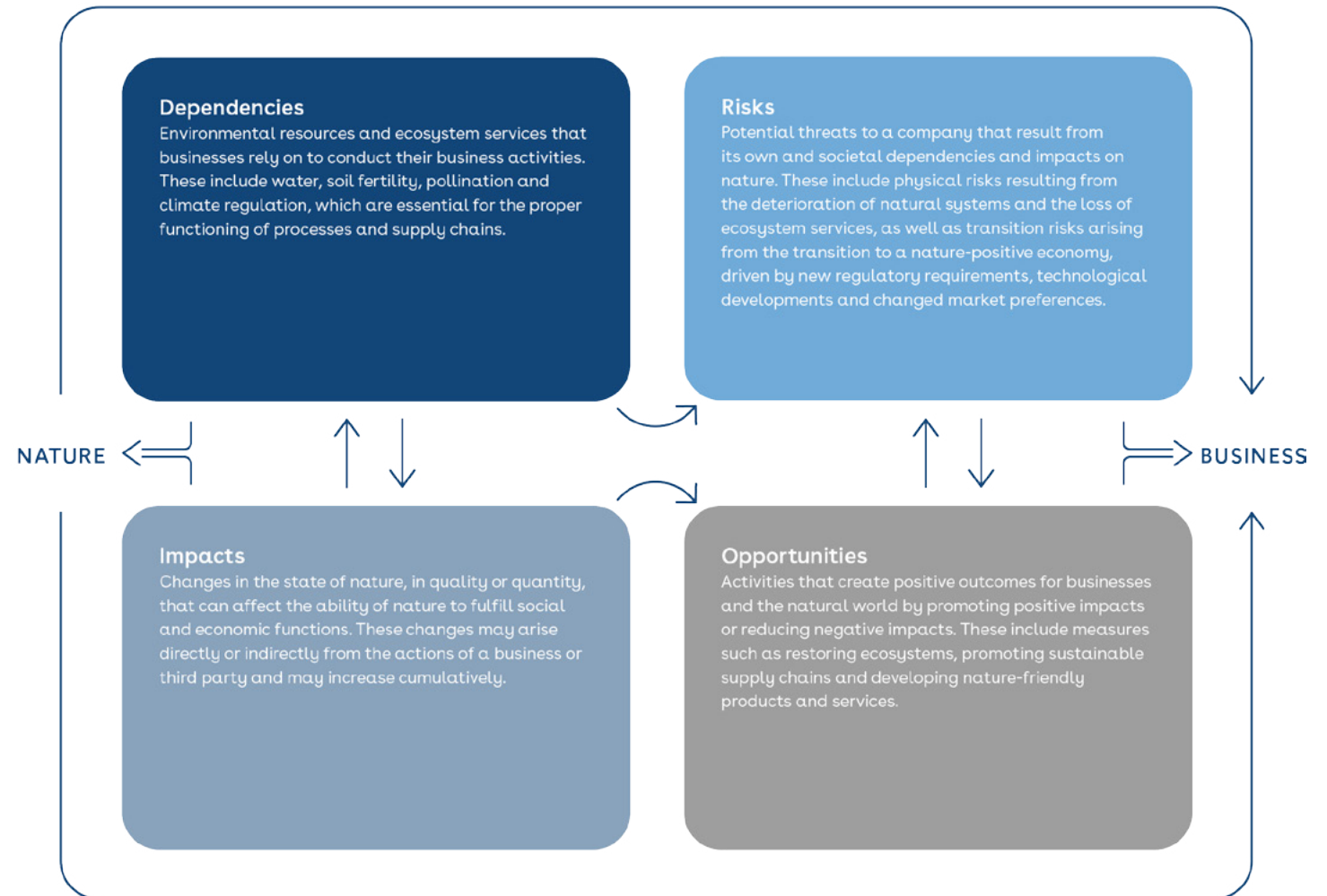
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ABOUT TNFD

Our TNFD framework

FIGURE 003

Definitions



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The Taskforce on Nature-related Financial Disclosures (TNFD), an international market-driven initiative, was launched in 2021. It arose from the growing realization that companies and financial institutions are significantly affected not only by climate change but also by the ongoing loss of biodiversity and ecosystem services. The work of the TNFD is supported by a broad coalition of international stakeholders. More than 1,200 organizations from over 60 countries participated in the development of the framework or have carried out pilot applications.<sup>1</sup>

**THE TNFD DISCLOSURE PILLARS**

In the same way as the TCFD, the recommendations of the TNFD are divided into four central disclosure pillars which provide the framework for structured reporting:

**The four TNFD disclosure pillars**

FIGURE 004



Focuses on an organization's **governance practices** related to nature, including its dependencies, impacts, risks and opportunities



Assesses how an organization's dependencies, impacts, risks and opportunities affect nature and shape its business **strategy** and financial planning



Focuses on how an organization identifies, assesses and manages its dependencies, impacts, **risks and opportunities** related to nature



Encompasses the **metrics and targets** utilized to evaluate and manage relevant dependencies, impacts, risks and opportunities related to nature

**THE LEAP APPROACH**

The application of the TNFD framework allows us to systematically analyze nature-related dependencies and impacts in our real estate portfolio. The methodological approach of the TNFD is LEAP (Locate - Evaluate - Assess - Prepare), a practical framework that supports organizations in their step-by-step analysis and implementation of measures as well as appropriate reporting.

**The LEAP approach**

FIGURE 005



<sup>1</sup> <https://tnfd.global/engage/tnfd-forum/>

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## USE OF THE TNFD FRAMEWORK AT THE INSTONE GROUP

In addition to the four disclosure pillars [≡ figure 004](#), the TNFD formulates general requirements that apply equally to all companies and to all

disclosures. In a sense, they are the basic methodological rules for ensuring that reporting is transparent, consistent and comparable.<sup>1, 2</sup>

### Our implementation of nature-related disclosure requirements (TNFD)

TABLE 001

Requirement	Application at the Instone Group	Page
Application of the materiality	As part of the 2024 double materiality assessment (DMA), biodiversity was assessed as doubly material, especially for our upstream value chain. This assessment was also confirmed by the Management Board for 2025. The TNFD targets both financial and impact materiality.	36 et seq.
Scope of the disclosures	<ul style="list-style-type: none"> <li>Own activity: land acquisition, securing building consent, assigning planning and construction services. At Nyoo: additional planning.</li> <li>Upstream value chain: production of building materials, planning, construction activity.</li> <li>Downstream value chain: operation and disposal.</li> </ul>	14 et seq.
The location of nature-related topics	Our development portfolio traditionally focuses on Germany's top urban centers and metropolitan regions, including Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Leipzig, Munich, Nuremberg and Stuttgart (A cities), supplemented by selected medium-sized cities with high growth potential. Our primary focus is on developing brownfield sites, but we also carry out greenfield projects. Interfaces with nature exist both in the redesign of existing spaces and in temporary interventions during the construction phase and permanent changes such as surface sealing. We use the WWF Biodiversity Risk Filter to identify and assess nature-related impacts and dependencies.	14, 34 et seqq.
Integration with other sustainability-related disclosures	In addition to implementing the requirements of the TNFD, we take into account other generally accepted sustainability and reporting standards. These include the Global Reporting Initiative (GRI), the European Sustainability Reporting Standards (ESRS) – especially ESRS E4 (biodiversity and ecosystems) and ESRS E5 (resource use and circular economy) – the criteria of the German Sustainable Building Council (DGNB), the Sustainable Development Goals (SDGs) of the United Nations and the International Financial Reporting Standards (IFRS). By linking these frameworks together, we ensure that nature-related and climate-related aspects are taken into account holistically and are consistently integrated into our corporate strategy, project development and reporting.	
Time horizons	<ul style="list-style-type: none"> <li>Short term (1-3 years): ESG compliance, planning processes.</li> <li>Medium term (3-10 years): portfolio restructuring, risk adjustment.</li> <li>Long term (10+ years): transformation strategies, climate adaptation, nature-positive construction methods.</li> </ul>	38 et seq., 56 et seqq.
Involving indigenous peoples, local communities and affected stakeholders in identifying and assessing the organization's nature-related topics	The involvement of indigenous peoples, local communities and affected stakeholders plays a key role for us in identifying and assessing nature-related issues in project development. This occurs particularly in connection with securing building consent and approval procedures, where we use public participation and dialog formats to identify and assess nature-related issues. The aim is to make potential impacts on nature and the environment transparent and jointly develop viable solutions.	28 et seq.

<sup>1</sup> Disclosure Recommendations – TNFD.

<sup>2</sup> AP3C Introduction to TNFD Recommendations.

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As part of the TNFD report, we present the LEAP approach to systematically identify and assess nature-related dependencies, impacts and related risks and opportunities and integrate them into the corporate

strategy. The following table summarizes the key metrics that we take into account in each phase of the LEAP approach.

Our LEAP approach

TABLE 002

	LEAP indicator	The Instone Group's approach	Page
L	1	Scope of business model and value chain We are a leading housing developer in Germany with a focus on the development of residential properties. Our own activities include land acquisition, securing building consent, assigning planning and construction services and, at Nyoo, planning. The analysis considers the entire value chain, including upstream (building materials, design, construction) and downstream processes (operation, disposal).	14 et seq.
	2	Initial assessment of dependencies and impacts For the dependency and impact assessment, we use the IROs (impact, risk, opportunity) derived as part of the materiality assessment. These are defined on the basis of external data sources and validated through stakeholder surveys. The WWF Biodiversity Risk Filter is also used.	31 et seqq.
	3	Interaction with nature We focus primarily on developing brownfield sites but we also carry out greenfield projects. There are interfaces with nature in the extraction of raw materials for manufacturing building materials, in the redesign of existing spaces and in temporary interventions during the construction phase and permanent changes such as surface sealing.	36 et seq.
	4	Interaction with sensitive locations In the acquisition process, we check whether project sites are located in the vicinity of protected or environmentally sensitive areas (for example, Natura 2000, flora and fauna habitat areas, landscape protection areas, flood risk zones). The results are incorporated directly into the location decision.	40
E	1	Identifying environmental assets, ecosystem services and influencing factors For each project site, we identify relevant environmental assets and ecosystem services, including soil quality, water resources and local biodiversity. The assessment is made on a project-by-project basis based on local appraisals and government agency information.	28 et seq., 40
	2	Identifying dependencies and impacts We identify material dependencies (e.g. subsoil, water, raw materials) and impacts (e.g. surface sealing, loss of green space, CO <sub>2</sub> emissions) using the WWF Biodiversity Risk Filter, the double materiality assessment and industry benchmarks.	31 et seqq.
	3	Assessment of dependencies and impacts The dependencies and impacts per project location are assessed using the WWF Biodiversity Risk Filter, taking into account scaling according to project size and site conditions.	34
	4	Materiality assessment Biodiversity was assessed as doubly material in the materiality assessment. Classification is based on a scoring approach that combines probability of occurrence and impact.	36 et seq.
A	1	Identification of risks and opportunities We identified risks and opportunities using a scenario analysis, the WWF Biodiversity Risk Filter and internal surveys.	31 et seqq.
	2	Adapting existing risk mitigation measures and risk and opportunity management We integrate nature-related risks and opportunities into existing processes (site assessment, project planning, ESG management). For greenfield projects, additional environmental assessments may be conducted as necessary. The results are incorporated into the development and implementation of suitable adaptation measures, for example by amending planning and construction decisions, selecting suitable materials, and measures to safeguard and promote environmental functions.	40
	3	Assessing and prioritizing risks and opportunities We prioritize the risks and opportunities identified using a scoring approach that combines the probability of occurrence and impact on business and nature. The results are presented in a prioritization matrix.	38 et seq.
	4	Materiality assessment of risks and opportunities All risks with a medium and high impact as well as all material dependencies are considered relevant and provide the basis for integration into ESG reporting and strategic management.	38 et seq.

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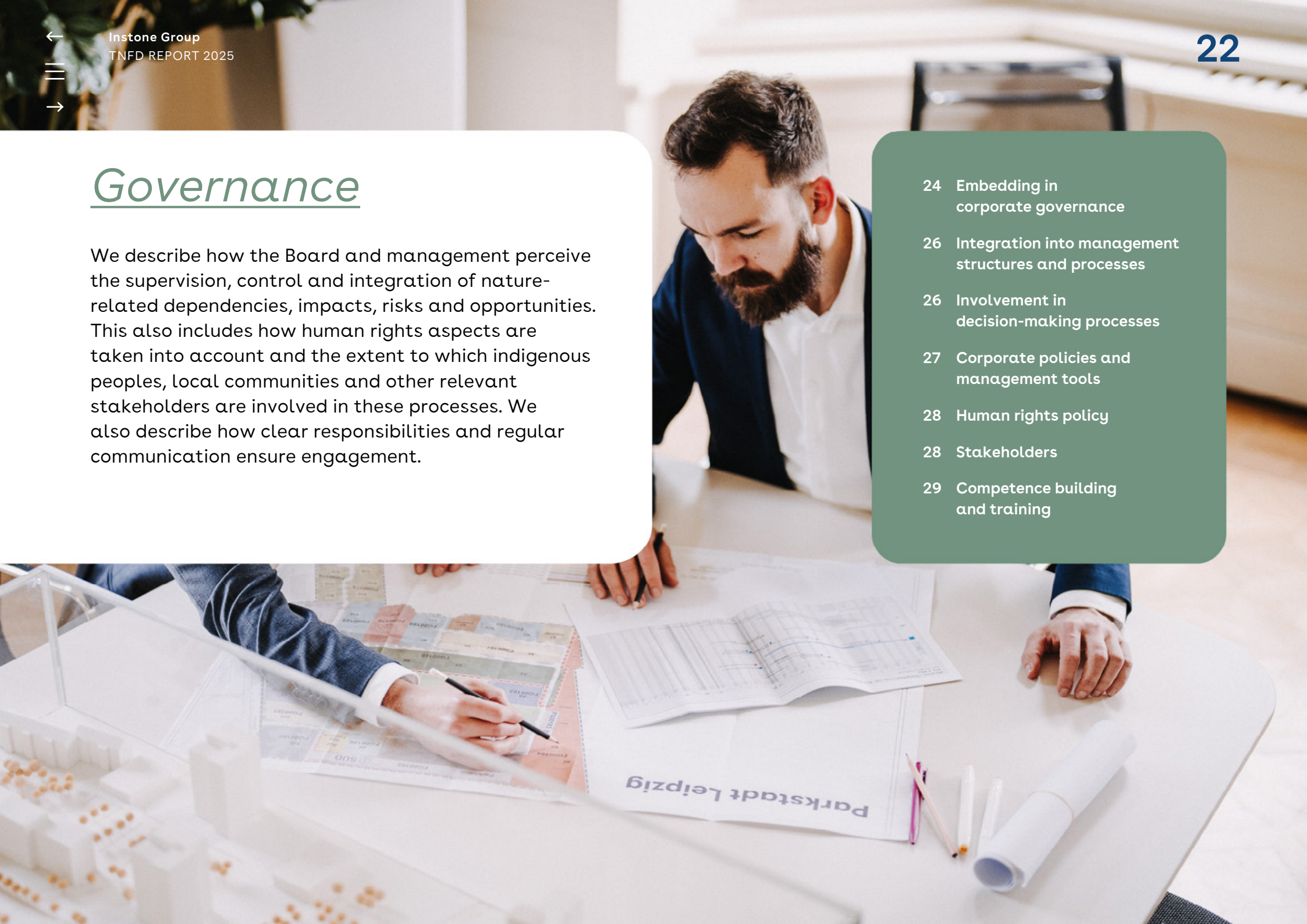
TABLE 002

	LEAP indicator	The Instone Group's approach	Page
P	1	Strategy and resource allocation Nature-related aspects are integrated into the corporate strategy, e.g. promoting biodiversity in projects, resource-conserving construction methods and increasing the use of brownfield land.	40 et seq.
	2	Objectives and performance management Specific targets are defined, agreed and stipulated as binding in the Sustainability Committee.	24 et seq.
	3	Reporting We integrate the results of the LEAP assessment into the TNFD report, in particular in the Strategy and Key Indicators and Targets sections.	30 et seq., 46 et seq.
	4	Publication We publish nature-related disclosures in the TNFD report in accordance with the recommended structural guidelines (governance, strategy, risk management, KPIs and targets). The report is made available digitally and integrated into ESG communication.	

# Governance

We describe how the Board and management perceive the supervision, control and integration of nature-related dependencies, impacts, risks and opportunities. This also includes how human rights aspects are taken into account and the extent to which indigenous peoples, local communities and other relevant stakeholders are involved in these processes. We also describe how clear responsibilities and regular communication ensure engagement.

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## Governance

Instone Real Estate Group SE is a European listed company (SE) that has a dual management system consisting of the Management Board and Supervisory Board, in accordance with its articles of association. While the Management Board is responsible for managing the company, the Supervisory Board has an advisory and monitoring function with regard to the Management Board. Detailed information on corporate governance is provided in the corporate governance statement, which can be found in the Annual Report from [☰ page 69 et seqq.](#)

The roles of the Supervisory Board and the Management Board with regard to evaluating and managing nature-related issues, including related aspects of human rights policy, are described below.

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**EMBEDDING IN CORPORATE GOVERNANCE**

As far as nature-related issues such as biodiversity, water resources and land use are concerned, the Management Board, as the highest management body, ensures as part of its overall responsibility that the associated dependencies, impacts, risks and opportunities are regularly assessed and integrated into the decision-making process and that the measures taken are implemented. The Supervisory Board continually monitors the integration of nature-related topics into the corporate strategy and regularly reviews the effectiveness of the measures taken by the Management Board.

David Dreyfus (CFO) is responsible for regulatory ESG issues, including nature-related topics that are part of the Sustainability & Transformation department's area of activity. This department, in turn, is assigned to the CFO as part of the Finance and Accounting business division in accordance with the Management Board's plan of responsibilities. The Sustainability & Transformation department, including nature-related topics, was integrated into the Finance and Accounting business division during the reporting period. The aim is to exploit synergies and to integrate sustainability matters, especially nature-related issues, even more effectively into financial management, and to enable a holistic view of economic and environmental indicators and risks, thus further driving forward the strategic focus on sustainable value creation.

In particular, the overarching strategic ESG issues are discussed within the Management Board, especially between the CFO and the CEO, Kruno Crepulja. Via the Business Development/Strategy business segment assigned to him in the plan of responsibilities, the CEO is responsible – in coordination with the CFO – for the strategic orientation and long-term positioning of the company and the entire Instone Group with respect to sustainability, including nature-related topics.

Ultimately, the Management Board has overall responsibility for defining objectives connected to nature-related topics, setting out rules and principles of conduct in guidance in this regard and establishing appropriate vertical and horizontal organizational structures across the Group and across business units at the level of Instone Real Estate Group SE and its two operating subsidiaries Instone Real Estate Development GmbH and Nyoo Real Estate GmbH within the scope of its delegation authority. This enables effective measures for achieving these objectives to be developed, implemented and, at the same time, monitored by the Management Board within the Instone Group.

The Supervisory Board also deals extensively with nature-related issues as part of its statutory monitoring and advisory mandate. For example, the audit committee monitors the findings of the risk management system, which also takes nature-related topics into account. In addition, the Supervisory Board also regularly addresses nature-related issues in plenary sessions. It makes decisions about the resolution items on nature-related topics prepared by the committee, for example in connection with the definition of strategy and sustainability goals. Nature-related issues also are the subject of its decision-making as part of its approval of the Management Board's investment proposals for the acquisition of land. Constructive, high-quality communication between the Management Board and the Supervisory Board helps to prevent or reduce nature-related financial risks.

The overarching goals and strategic direction for nature-related topics are discussed quarterly in the sustainability committee<sup>1</sup> of the Instone Group appointed by the Management Board and defined together with the Management Board. The sustainability committee is made up of representatives from all Instone Group departments and function holders responsible for the ESG strategy. Consideration and discussion of nature-related topics is consistently conducted within the context of the Instone Group's overall ESG strategy. At these meetings, proposals for new or revised targets are discussed and developed, the feasibility and effectiveness of measures are evaluated and progress towards the defined targets is regularly reviewed. The results and measures are presented to the investment committee semi-annually at a meeting in which the members of the Management Board as well as the management of the operating subsidiaries and the branch management participate. In addition, the Sustainability & Transformation department has been participating regularly in the meetings of the Instone Group's risk committee since 2025, where it reports on specific risks connected with sustainability matters.

<sup>1</sup> The composition of the committee is shown below, see figure 006.

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Nature-related topics are managed centrally by the Sustainability & Transformation department, which reports directly to the head of financing and accounting (weekly discussion). Ongoing reporting and consultation with the CFO and CEO as required ensure that nature-related dependencies, impacts, risks and opportunities are systematically integrated into decision-making processes.

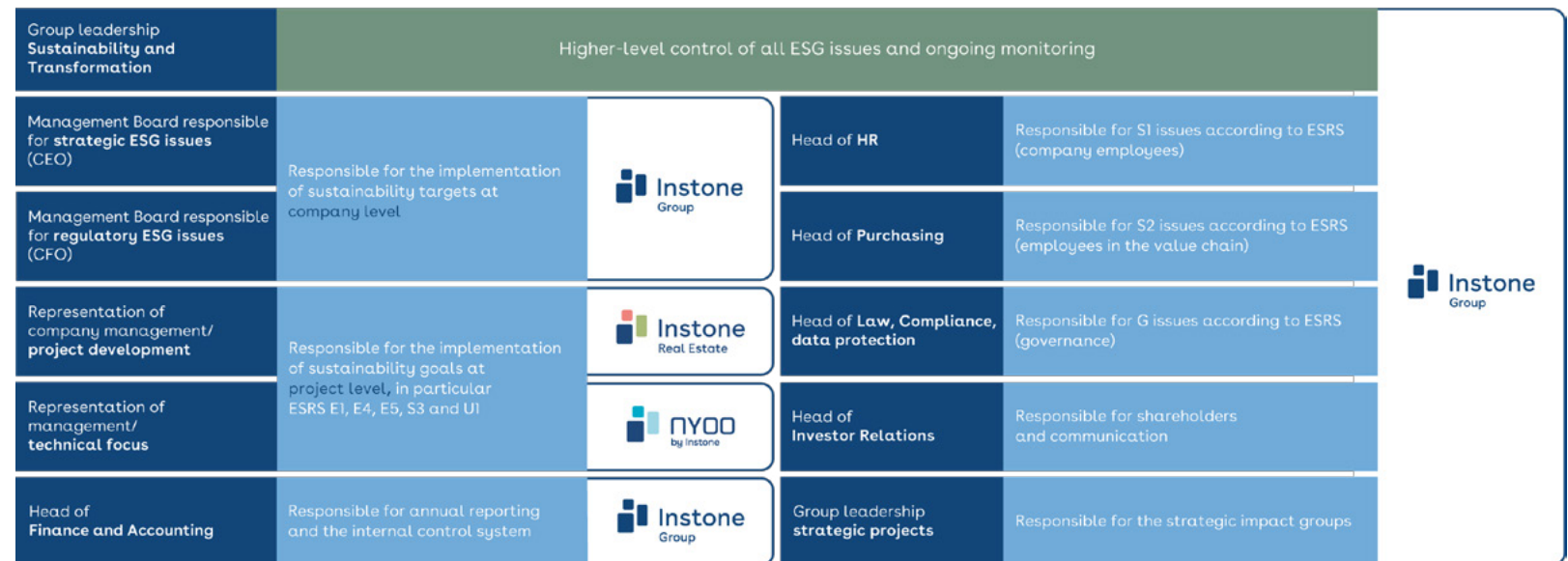
This flow of information to the Management Board is backed up by regular meetings, usually held every two weeks, between the individual members of the Management Board and their respective direct reports from the Group headquarters and the management of the two operating subsidiaries. They address and discuss nature-related topics, where necessary. In addition, the Management Board receives a dedicated monthly report on all of the

Instone Group’s real estate projects from the responsible branch in a structured process. Where relevant, project-specific nature-related topics are reported and jointly discussed here too.

Finally, the Management Board receives quarterly reports from the Controlling & Risk Management department in a formal risk report on sustainability-related risks, which are recorded and evaluated throughout the company in a structured process. These are recorded and assessed company-wide in a structured process and also include nature-related topics. Further information on the integration of nature-related topics into the risk management system and the internal control system as part of the Instone Group’s sustainability strategy is provided in the sustainability report on [page 189](#) under ESRS 2, GOV-5.

**Composition of our sustainability committee**

FIGURE 006



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## INTEGRATION INTO MANAGEMENT STRUCTURES AND PROCESSES

The Sustainability & Transformation department acts as a central interface between company level and project level. It coordinates the flow of information across all corporate levels and brings together nature-related topics in particular, as well as other ESG topics. To systematically collect, manage and evaluate relevant ESG data, including nature-related data, the Instone Group has implemented the integration of corresponding data requirements into an existing internal system. This enables structured, consistent and efficient recording and evaluation of sustainability data across existing processes. It is supplied with data from the various branches and divisions, approved in a two-person process and then managed centrally by the Sustainability & Transformation department. By formalizing and standardizing the data collection processes, data is recorded consistently and quality assured. At the same time, the platform ensures consistent and complete verification that guarantees seamless traceability and meets regulatory and internal requirements.

Practice-oriented concepts and measures for implementing the strategy with respect to nature-related topics are developed together with the responsible central departments (e.g. risk management, legal, compliance, data protection, purchasing) and in close cooperation with the operational units in the branch offices. This takes place as part of regular meetings with central departments and the IMPACT working groups (operations) as well as topic-specific workshops.

Specific concepts and standards are developed for the company-wide implementation of the ESG strategy with regard to nature-related topics in construction projects; they serve as guidelines for cross-branch application. These concepts, developed by the IMPACT working groups, form the basis for practical integration of nature-related topics into all Instone Group projects. The close involvement of all relevant stakeholders at project and company level ensures smooth operational implementation in the individual branch offices.

## INVOLVEMENT IN DECISION-MAKING PROCESSES

Nature-related issues are factored into the internal approval process for each investment application when decisions are taken on the purchase of new land. A comprehensive climate scenario analysis is carried out as part of the investment review, which provides an early indication of the potential risks of the property, for example with respect to the impacts of prolonged drought. In addition, appraisals, such as soil appraisals, are obtained in order to create an informed basis for decisions by the committees. The assessment is also based on the EU taxonomy criteria, which serve as a benchmark for the quality of the planned investment, including with respect to nature-related issues, at this early stage. The specialist departments of Instone Real Estate Group SE also examine and comment on each investment proposal and are therefore able to address nature-related topics. The final decision on the investment application rests with the Management Board and – if the projected total disposal volume exceeds €120 million – with the Supervisory Board. To ensure the best possible information basis for decision-making, the Management Board discusses each investment application in detail in the investment committee, which is made up of members of the Management Board and the management of the two operating subsidiaries.

In the subsequent planning process, the approval of service phase 2 (preliminary planning in accordance with HOAI) and the sales approval are key milestones at which the nature-related topics are formally reviewed and ratified once again by the management. In service phase 2, an evaluation of key ESG criteria, including nature-related topics, is carried out, such as the planned energy concept and the proposed building certification.

During the sales approval process, the product concept is reviewed in detail to ensure that it meets the Instone Group's requirements with regard to nature-related topics. This not only takes into account environmental aspects but also the social impact, such as the added value that the development of the residential quarter offers for the surrounding area and neighborhood.

Monthly dialog with project managers and the Management Board, the management teams of the operating subsidiaries and other management personnel about ongoing projects ensures that risks and sustainability matters are regularly discussed and evaluated.

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**CORPORATE POLICIES AND MANAGEMENT TOOLS**

We continually address the assessment and management of nature-related issues and related aspects of human rights policies.

The measures taken by the Management Board with respect to nature-related issues are implemented in practice firstly through binding guidelines prescribing specific conduct and through supplementary statements, and secondly through appropriately adapted and exemplary conduct on the part of the Management Board and senior executives of the Instone Group.

Among other things, the Instone Group has issued statements on environmental policy and a green procurement policy and has published them on its website at [Instone Group | Policies](#).

The green procurement policy statement outlines the goals and areas of action for continually improving purchasing processes with respect to their impacts on nature-related issues. The statement is part of the Instone Group's purchasing strategy and results in an ongoing review of the necessity and the processes within procurement. The following topics in particular are defined as part of the Instone Group's purchasing strategy and have a direct nature-related character:

- Use of processes, technologies, products or services that reduce consumption of natural resources or chemicals.
- Review of the use of energy and fuel-efficient products, services and technologies.
- Development of processes, technologies, products or services that support biodiversity and healthy, resilient natural habitats.

The Instone Group intends to gradually analyze and improve its environmental footprint. Accordingly, we have defined the following objectives in the environmental policy statement, for example:

- Minimize resource consumption.
- Develop concepts and measures for water collection and reuse.
- Develop concepts and measures for waste and recycling management.

The focus here is on the CO<sub>2</sub> emissions caused, the quantities of waste generated in the construction process, the use of mineral raw materials during the construction phase, the creation of improved biodiversity through suitable compensatory measures and the implementation of smart measures for waste, disposal and recycling management.

These statements substantiate the overarching goals of the Instone Group by defining individual action areas and topics, thereby providing valuable guidance for downstream processes and employees' day-to-day work with respect to nature-related topics.

In addition, the Management Board of Instone Real Estate Group SE has adopted a number of binding guidelines that apply to the entire Instone Group and also focus on nature-related issues. For example, the guidelines include provision on materiality assessment and sustainability, including nature-related issues. Detailed information on the content of these guidelines with respect to nature-related topics can be found in the sustainability report. [Sustainability report 2025](#)

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**HUMAN RIGHTS POLICY**

We are committed to the principles of the Diversity Charter as well as to the Universal Declaration of Human Rights and the international labor standards of the International Labor Organization (ILO). Furthermore, employees are comprehensively informed about the Instone Group’s Code of Conduct at the start of their employment. This Code of Conduct sets out the fundamental values and standards that shape the actions of every employee at the Instone Group.

The Instone Group has set up a digital whistleblower portal via which also external persons and therefore our stakeholders can anonymously submit reports if the Instone Group is suspected of misconduct. Further details on the whistleblower portal can be found in the corporate governance statement starting on [page 82](#) of the summarized management report in the Annual Report 2025.

**STAKEHOLDERS**

We foster close cooperation with all stakeholders in the course of project development, placing the greatest importance on the involvement of the immediate environment. When it comes to nature-related issues, this particularly includes communities, authorities, initiatives and associations, as well as citizens, especially the respective neighborhood.

Neighborhood development changes the landscape, water balance and microclimate. The above-mentioned stakeholders are therefore directly affected by the Instone Group’s projects. By involving them at an early stage, local expertise can be utilized and widespread acceptance generated. Where nature-related issues are concerned, this makes it possible to take into account different perspectives on, for example, green and aquatic areas or species protection.

For example, by maintaining close contact with municipalities and authorities as part of approval processes, compliance with nature protection requirements and environmental standards is implemented as effectively as possible. Associations, local initiatives and citizens can share valuable knowledge about specific local characteristics through direct interaction with the Instone Group, thereby contributing to enhancing biodiversity, for example, by integrating native plant species and creating habitats for insects and birds. This interaction enables the Instone Group to take local conditions, such as local species resources and their habitats, into account effectively as part of project implementation.

Through the comprehensive engagement of stakeholders relevant to nature-related issues, the Instone Group is able to minimize the negative impacts and risks associated with project development. At the same time, positive effects, such as the creation of ecological corridors and green spaces, are promoted.

The engagement of relevant stakeholders is carried out at different stages of project development, and particularly at the start of project development. For example, the Instone Group communicates very openly in relation to masterplan procedures. We involve neighbors and interested citizens in the planning of the neighborhoods at an early stage and agree commitments within the framework of urban development agreements with municipalities, which are fulfilled by the Instone Group itself. This includes, for example, the creation of daycare centers and subsidized housing at sites with severe scarcity, the construction of schools, the implementation of cross-neighborhood mobility concepts and nature-friendly green space planning.

During the early acquisition and construction licensing phase, the Instone Group engages with cities and municipalities on a regular basis in order to define meaningful added value and goals for the new neighborhood development that go beyond the urban development agreements. Early dialog, for example through participation procedures or direct surveys of the neighborhood by the project team, and the results of a careful location analysis form the basis for development of the neighborhood in line with needs. Specific agreements with the neighborhood are often concluded during this process.

Within the processes for obtaining building rights, the Instone Group participates in the specified participation procedures. In this structured process, various stakeholders – such as citizens, public authorities, associations and companies – are involved in the planning and decision-making to establish building rights. The aim is to promote transparency, take different interests into account and resolve conflicts early on. These processes may include, but are not limited to, public hearings or written submissions and take place, for example, when development plans or land use plans are drawn up. They ensure that interested parties can contribute their opinions and suggestions before decisions are made on a binding basis.

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In its projects, the Instone Group often goes beyond standard participation procedures and adopts an interactive approach that promotes active stakeholder engagement throughout the planning process. One concrete example from 2024 is the Instone Group’s early citizen participation in the neighborhood development project on the former Real site in Maintal-Dörnigheim, where more than 150 citizens engaged in dialog with specialist planners at a public event in order to activate the “silent majority” and to incorporate suggestions and opinions in the planning process at an early stage. [↗ Sustainability report 2025, page 249](#)

By involving stakeholders and systematically assessing the nature-related impacts of the projects, the Instone Group ensures that its business model is environmentally responsible and that the interests of different groups are taken into account. This approach is a key step in achieving a sustainable balance and harmony between people and nature.

## COMPETENCE BUILDING AND TRAINING

In order to effectively integrate nature-related topics into the processes of the Instone Group at all relevant company levels, the knowledge of the employees involved in these areas is continually improved. Among other things, this is achieved by addressing nature-related issues in the IMPACT working groups. These teams comprise more than 35 employees of the Instone Group and work together across locations from different perspectives on key ESG topics and thus also nature-related topics, such as biodiversity. Within these IMPACT working groups, employees’ existing knowledge is shared and they work together on practical solutions. In this way, employees not only expand their own theoretical knowledge but also develop sound strategies and measures with respect to the dependencies, effects, risks and opportunities of the Instone Group’s business activities in connection with nature-related topics. By continuously reviewing the strategies and measures within the IMPACT groups in terms of their actual effectiveness, they can be adjusted and their effectiveness continuously improved.

The IMPACT working group “Resilient Neighborhoods” was established at the end of 2024. This specifically addresses the dependencies, impacts, risks and opportunities related to biodiversity. Detailed information on this working group can be found in the strategy section on [≡ page 33](#). In addition, the Resilient Neighborhoods IMPACT Working Group is developing strategies and measures for planning and implementing climate-resilient, biodiversity-enhancing residential areas.

Through workshops held as part of the IMPACT working groups on particularly relevant nature-related topics, these topics can be brought into focus and employees’ knowledge in these areas systematically expanded. The work and results of the IMPACT working groups are also presented in detail on the Instone Group’s intranet. This gives all employees access to them and enables the company to continuously develop a knowledge base that is specifically focused on the company’s nature-related topics.

# Strategy

We describe how nature-related dependencies, impacts, risks and opportunities are integrated into the business strategy, decision-making processes and financial planning, and how these factors affect value creation, resilience and strategic orientation in the short, medium and long term. This ensures that nature-related aspects are embedded into all relevant management tools and regularly reviewed so that the company is able to respond to changing market conditions and regulatory requirements.

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## Strategy

Our strategic orientation when dealing with nature-related dependencies, impacts, risks and opportunities is based on a clear mission and vision. It forms the basis for our target setting and the integration of nature-related aspects into all corporate processes.

### MISSION AND VISION

We develop neighborhoods that combine environmental responsibility with economic strength. We create habitats that consider the needs of people and nature equally, and preserve and promote biodiversity at the same time.

Our vision is a project development in which nature-related qualities, ecological functions and ecosystem services are integrated and which creates spaces that are resilient, livable and fit for the future over the long term.

### OVERARCHING OBJECTIVES

Our aim is to minimize impacts on nature and strengthen the business model's resilience with regard to nature-related risks. We want to exploit opportunities through sustainable development, systematically embed biodiversity into acquisition, planning, construction and operation, and gradually integrate TNFD recommendations into our processes.

### METHODS AND ANALYSES FOR DERIVING THE STRATEGY

The following methods form the basis for identifying and assessing nature-related dependencies, impacts, risks and opportunities as part of the TNFD report. This includes conducting a double materiality assessment (DMA) and a scenario analysis, using the WWF Biodiversity Risk Filter and conducting an in-house survey of relevant departments.

### INTERNAL SURVEY

At the start of our in-depth examination of the topic, we first assessed the status quo in the company and, in July 2025, conducted an internal survey on the importance of biodiversity in operational project business in which around 30 employees took part. The aims were to systematically record the level of knowledge of our employees, to raise awareness of environmental issues and to promote discussion on specific measures. [☰ page 35 et seq.](#)

### DOUBLE MATERIALITY ASSESSMENT

We conduct a double materiality assessment to assess, among other things, nature-related issues with respect to their financial impacts and their impacts on the environment.

To ensure responsible handling of environmental resources, we continually analyze the interplay between our construction activities and natural ecosystems. In doing so, we are guided by the Impact, Risk and Opportunity (IRO) approach in order to determine relevant impacts, risks and opportunities.

### SCENARIO ANALYSIS

Based on the materiality assessment, we conducted a supplementary scenario analysis in order to review and validate the identified nature-related risks and opportunities and, if necessary, to expand them to include topics not previously considered. In this way, we ensure that the assessment of nature-related topics is based on both current knowledge and a forward-looking perspective, and that strategically relevant developments are identified at an early stage.

The scenario analysis follows a structured approach with clearly defined analysis phases. [☰ figure 007](#) These range from the objectives and framework, through the assessment of the status quo and the development of future scenarios, to the development of specific options for action. The scenario analysis provides a solid basis for holistically understanding potential impacts on the business model and for integrating these into strategic corporate management.

The results support a forward-looking strategic focus and promote the permanent incorporation of nature-related issues into our long-term corporate strategy. The scenario analysis is therefore a key element of our strategic sustainability work. [↗ Sustainability report 2025, page 224](#)

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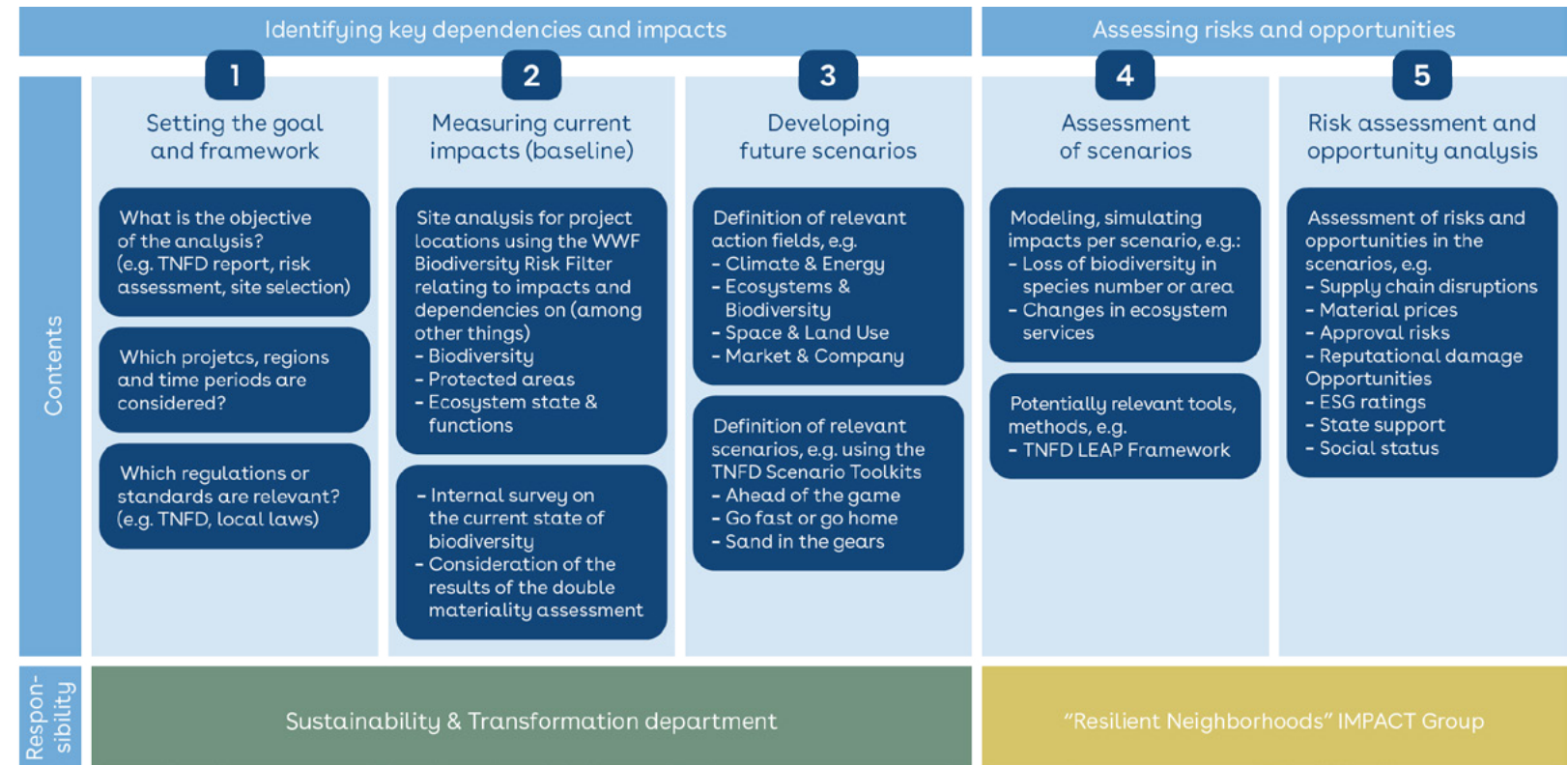
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We have followed best practices and TNFD proposals and have thus taken the following steps:

TNFD-oriented process for analyzing biodiversity dependencies, impacts, risks and opportunities

FIGURE 007



The scenario analysis is based on a range of events that reflect both physical and transitory risks.<sup>1</sup> Physical events involve environmental changes, such as ecosystem degradation, biodiversity decline and the limited availability of ecosystem services. These include: fresh air, water regulation or soil quality. Transitory events, by contrast, refer to political,

regulatory and market-driven changes. These include: stricter requirements for biodiversity concepts, rising material prices, new recycling requirements, increased documentation requirements and changes in customer behavior and access to capital. We also considered the risk of legal disputes and the stigmatization of the construction sector as relevant events.

<sup>1</sup> Based on (page 32): <https://www.ifrs.org/content/dam/ifrs/meetings/2025/february/issb/ap3c-introduction-tnfd-recommendations.pdf>

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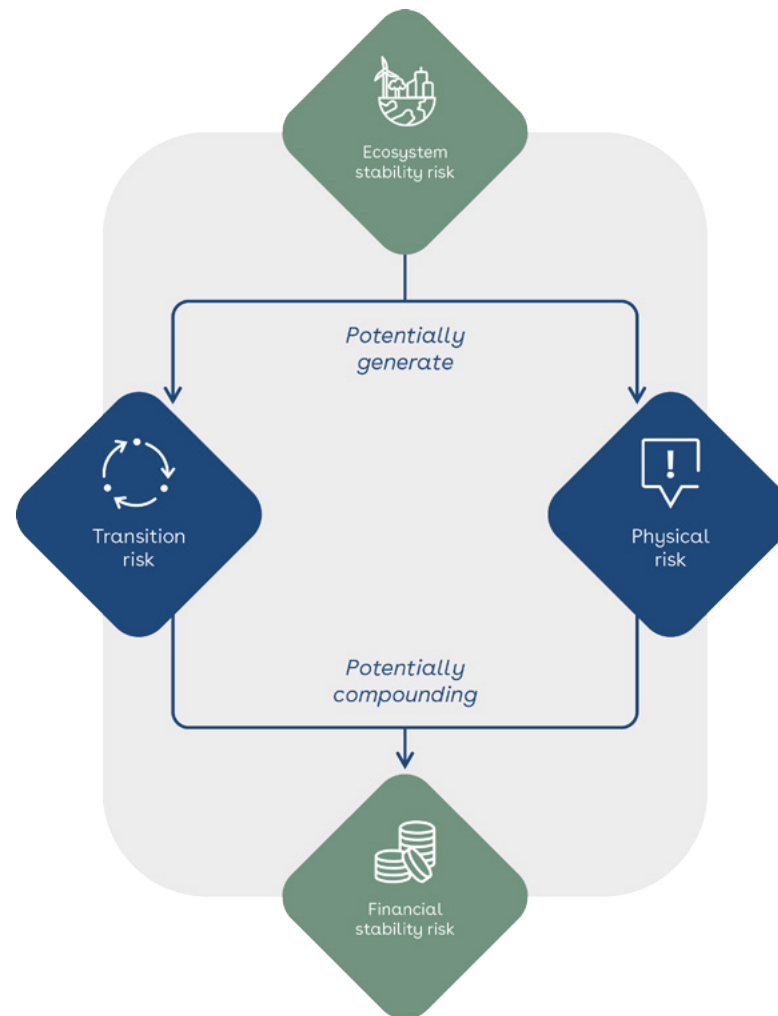
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Nature-related risks and their potential impacts on financial stability

FIGURE 008



The analysis was structured in two steps. <sup>3</sup> figure 007 First, our Sustainability & Transformation department carried out a preliminary assessment in which key risk types, scenarios and chains of effect were identified and pre-structured. This preparatory work was subsequently firmed up and expanded in a workshop held jointly with the Resilient Neighborhoods IMPACT working group. Assumptions regarding environmental changes, regulatory requirements and market behavior were discussed and their relevance to the Instone Group was reviewed.

To systematically strengthen the role of biodiversity in the company, we bring together our activities in the area of biodiversity into a separate structure and pursue a systematic, long-term approach. For this purpose, we established the IMPACT Working Group “Resilient Neighborhoods” in the fourth quarter of 2024. It addresses opportunities and challenges related to biodiversity and develops strategic approaches for the sustainable integration of the topic into all relevant processes. The interdisciplinary group of experts in the areas of project development, coordination and management conducts analyses, derives measures from these and implements initial packages of tasks. Workshops in 2025 further refined insights, responsibilities and concrete implementation steps.

The analysis focused on two particularly challenging scenarios: “Go fast or go home” and “Sand in the gears”. Both scenarios are based on the TNFD Scenario Toolkit<sup>1</sup> and address significant impairments to ecosystems, but differ in terms of the interactions between market and non-market forces. This makes it possible to derive different development paths that show where the greatest potential risks could arise for us.

The “Go fast or go home” scenario outlines a future with significantly increasing loss of nature, but at the same time with strong coordination between market and non-market forces. Politicians, society and the financial sector increase the pressure on companies to act. Disclosure requirements are expanded, response times shortened and investments in nature-related technologies and solutions increase significantly. For companies, this results in both potential competitive advantages for early market participants as well as higher requirements and short-term increases in costs.

<sup>1</sup> <https://tnfd.global/knowledge-hub/worksheets-and-toolkits/>

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By contrast, the “Sand in the gears” scenario portrays a future in which environmental assets are significantly affected, but without a coordinated interplay of the key drivers. Regulation remains fragmented, investment incentives are weak and data is insufficient. Organizations operate in a slow-response environment, with inconsistent pressure and high physical risk. This leads to missed opportunities for innovation and resilience, as well as to rising risks due to reputational losses, delays in projects and falling revenue.

The choice of these two scenarios allows us to assess both proactive and reactive strategies and to derive concrete measures from them. They thus provide a resilient basis for strategic decisions in the context of biodiversity and sustainability. Both scenarios were assessed along chains of effects.<sup>1</sup>

These events were assessed in both scenarios, each in terms of their short-term and long-term impacts on costs, revenue and the strategic positioning of the Instone Group. [table 003](#)

**WWF BIODIVERSITY RISK FILTER**

In recent years, we have started to systematically analyze our potential impacts in order to address the topic of biodiversity. As the first step, specific due diligence was carried out in fiscal 2022 with the help of the WWF Biodiversity Risk Filter in order to identify the greatest risks within the framework of our business activities. On this basis, the pilot study was further developed in 2023 in line with TNFD recommendations and updated in 2025. All projects under construction and all projects in the project portfolio completed in 2025 were analyzed in this context. [table 003](#)

**MATERIAL DEPENDENCIES, IMPACTS, RISKS AND OPPORTUNITIES**

The following disclosures provide an overview of the material nature-related dependencies, impacts, risks and opportunities which were identified using the applied methods.

**DEPENDENCIES**

Our business activities are highly dependent on intact ecosystems and their services. The condition of ecosystems directly affects the availability of ecosystem services that are essential for construction projects, such as water regulation, soil stability and climate regulation. In addition, suitable space is a key prerequisite for developing new projects. Restrictions caused by protected areas or degraded soils can significantly limit the choice of location. In addition, there is strong dependence on the availability of natural materials such as sand, wood and mineral raw materials. Changes in these areas, for example due to overuse, regulatory requirements or climate-related bottlenecks, can affect the cost structure and the feasibility of projects. These dependencies have been incorporated into all methodologies used, including the double materiality assessment, scenario analysis and evaluation using the WWF Biodiversity Risk Filter, and provide the basis for identifying nature-related risks and opportunities.

<sup>1</sup> Chains of effects describe the sequence of relationships between an entity's operations, the resulting impacts on natural resources and the resulting risks or opportunities for the entity. Providing the starting point are nature-related dependencies or interventions that can trigger changes in ecosystem states. These changes result in physical or transitory risks that ultimately affect key performance indicators such as costs, sales, assets or access to capital.

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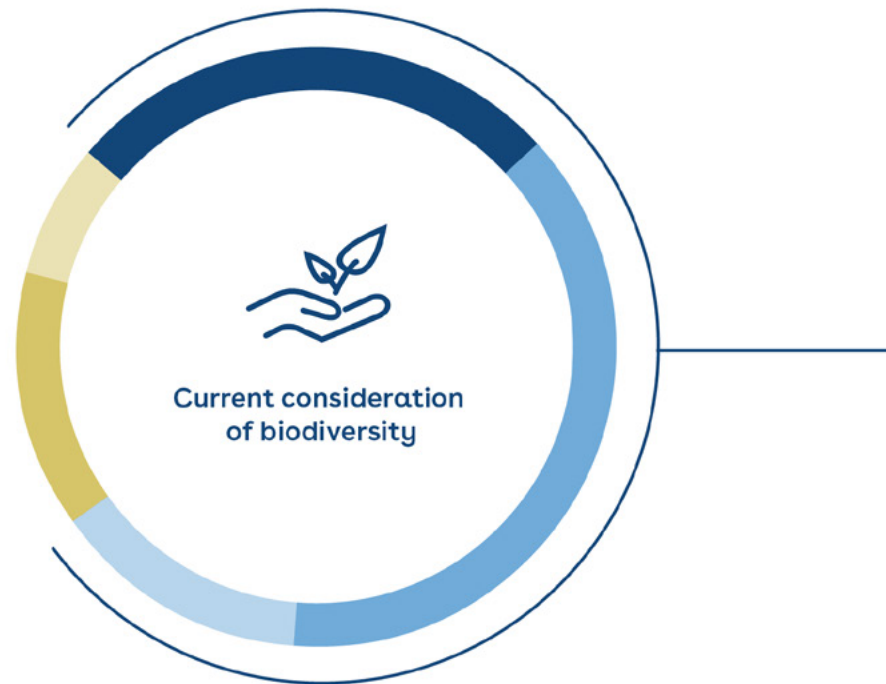
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## INTERNAL SURVEY

The key findings of this survey are presented below.

### Current status of biodiversity consideration in projects and implemented measures

FIGURE 009



- 27% systematically for each project
- 38% in individual cases
- 14% only rarely
- 14% not yet
- 7% not yet, but should be considered in the future

### MEASURES ALREADY IMPLEMENTED, SORTED BY FREQUENCY:



1. Nesting aids



2. Greening



3. Trees



4. Ecology & process



5. Animals & resettlement

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The survey shows that a significant proportion of projects take biodiversity into account. Overall, 65% of participants report including nature-related aspects at least occasionally to systematically. Another 14% rarely consider these aspects, while 21% report that these topics are not yet part of the project processes. The results thus provide a differentiated picture of the current status of biodiversity integration in the project context.

The measures covered mainly relate to practical approaches such as nesting aids, greening measures and tree preservation, as well as to environmental supporting processes and animal species resettlement.

**OUTLOOK**

The survey provides a comprehensive insight into current practices in managing biodiversity within the projects. Building on the results, we examine how nature-related topics can be integrated more systematically across all project phases in the future. The goal is to gradually integrate the requirements of the TNFD into existing processes.

**DOUBLE MATERIALITY ASSESSMENT (DMA)**

As part of the DMA, biodiversity was assessed as doubly material in 2024. This assessment was also confirmed by the Management Board for 2025.

In the following are the material environmental impacts of our business activities and the financial risks identified in the double materiality assessment. These can be grouped into six key action areas.

**Climate and energy**

- Physical climate risks such as floods, tornadoes or similar natural events can significantly affect the attractiveness and usability of sites. This can lead to revenue losses, especially if a site loses value as a result of such events or its planned use cannot be realized.
- When implementing new construction projects, the increase in extreme weather events and changing climatic conditions such as heat waves, floods and storms can be taken into account as early as the planning stage with appropriate measures.

- High greenhouse gas emissions can occur during the extraction/ production of construction materials.
- Large quantities of CO<sub>2</sub> may be emitted during the construction of buildings when building materials are manufactured, transported and disposed of.
- Supplying energy to buildings during the use phase may result in greenhouse gas emissions (CO<sub>2</sub>).
- During the use phase, properties may have a high energy requirement (kWh), particularly for electricity and electricity-based heating and cooling.
- Possible failure to meet emission reduction targets may present risks. Insufficient investment in climate protection measures or sustainable product design may lead to revenue losses.

**Ecosystems and biodiversity (including water)**

- Extracting raw materials for construction materials and surface sealing in construction projects can also change the natural environment. These processes can affect habitats and encourage soil erosion, water scarcity and the loss of ecological soil functions.
- Our construction activities can lead to the destruction, fragmentation and degradation of natural habitats. This applies not only to the immediate construction area but also to adjacent ecosystems. The associated interventions may jeopardize the functionality and resilience of these systems in the long term.
- If a plot of land cannot be developed as planned due to protected species or sensitive habitats, financial risks can arise, for example due to additional appraisals, official requirements or project delays. In some circumstances, assessment of these risks may result in the property not being developed but being sold strategically in an undeveloped state.

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**Spaces and land use**

- The construction sector is a high CO<sub>2</sub> emitter and can contribute to the unsustainable use of land. Buildings can be exposed to climate risks and need to be adapted for these.

**Resources and materials**

- The production of construction materials and construction activities may require very large quantities of natural and artificial resources.
- Our construction activities are heavily dependent on natural resources such as sand, timber and iron ore. A shortage of these raw materials can cause cost increases and economic risks. To achieve the climate objectives by 2045, new materials, climate-adapted construction methods and environmental standards are required. The focus is on reducing CO<sub>2</sub> emissions and using materials in a resource-saving manner in accordance with circular economy principles. The transition to recycled and alternative building materials is currently difficult to predict due to fluctuating prices and limited availability. In the long term, the diversification of construction materials could expand supply and alter pricing structures.

**Circularity and waste**

- Construction activities can generate large amounts of solid waste.

**Regulation and governance**

- Local regulations, such as environmental protection requirements, can affect the construction process. As a result, revenue may be lower or realized later.
- Nature-related risks are increasingly being seen as a relevant component of risk analysis in the financial sector. Against this backdrop, supervisory authorities are increasingly urging banks to systematically record and assess biodiversity risks. Insufficient consideration can lead to inadequate compliance with the relevant requirements, including regulatory requirements related to the EU taxonomy, and this can have an impact on financing conditions.

We have also identified another field of action: market and society. No specific IRO from the materiality assessment could be assigned to this field because it acts primarily as an overarching framework and has fewer direct physical dependencies or impacts on natural services. Nevertheless, it is of high strategic importance because it significantly influences how we respond to identified risks and opportunities – for example, through legal requirements, market trends or social expectations.

The TNFD matrix combines the results from the materiality assessment, scenario analysis and the WWF Biodiversity Risk Filter into a consolidated structure. The aim is to bundle all relevant topics in the action areas and fully record their importance for the company. For each action area and its subtopics, the matrix shows the extent to which we rely on natural services (dependencies), the impacts of our business activities on nature, and the risks and opportunities that arise for us under the two scenarios (“Go fast or go home” and “sand in the gears”). A key element is the exertion of influence, which indicates the extent to which we can influence an action area through our own measures. This evaluation supports the prioritization and targeted use of resources. The logic of the matrix follows a multi-stage approach: subtopics are first grouped into action areas, then evaluated per method and consolidated according to the maximum principle. This provides a transparent basis for management, strategic decisions and reporting. A high dependence on natural services and simultaneously high impacts on nature not only represent a risk – they can also represent an opportunity. It is precisely in these areas that we have the opportunity through targeted measures to achieve positive effects, drive innovation and position ourselves strategically.

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Action fields	Subtopics	WWF	WWF and DMA	Scenario analysis					
		Dependencies	Impacts	Short term		Long term		Exertion of influence	
				Risk	Opportunity	Risk	Opportunity		
Climate and energy	<p>This topic covers all aspects related to the emission of greenhouse gases, energy consumption and energy supply throughout the life cycle of buildings. These include:</p> <ul style="list-style-type: none"> <li>- Emissions in the value chain</li> <li>- Energy consumption and supply in the use phase</li> <li>- Energy-related regulatory requirements and market changes</li> <li>- Physical climate risks and environmental factors</li> </ul>	H	VH	Go fast or go home	M		H		VH
				Sand in the gears	L		H		
Ecosystems and biodiversity (including water)	<p>This topic covers all aspects related to the protection and sustainable use of ecosystems and the conservation of biodiversity. These include:</p> <ul style="list-style-type: none"> <li>- State and use of ecosystems</li> <li>- Dependence on ecosystems</li> <li>- Biodiversity and protected areas</li> <li>- Risks to flora and fauna</li> <li>- Ecosystem-related requirements and regulatory developments</li> </ul>	M	VH	Go fast or go home	M		M		H
				Sand in the gears	M			H	
Space and land use	<p>This topic covers all aspects related to the availability, quality, and sustainable use of space, as well as the location conditions for construction projects. These include:</p> <ul style="list-style-type: none"> <li>- Availability of suitable spaces</li> <li>- Quality and properties of the site</li> <li>- Risks due to physical location conditions</li> <li>- Sustainable land use and climate adaptation</li> </ul>	H	VH	Go fast or go home	M		H		H
				Sand in the gears	L		L		
Resources and materials	<p>This topic covers all aspects related to ensuring and sustainably using materials and raw materials. These include:</p> <ul style="list-style-type: none"> <li>- Availability of materials and raw materials</li> <li>- Costs and market changes</li> <li>- Inflows and use of resources</li> <li>- Supply pressure due to global shortages</li> </ul>	L	H	Go fast or go home	M		M	H	VH
				Sand in the gears	M		H		

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Action fields	Subtopics	WWF		WWF and DMA		Scenario analysis				Exertion of influence
		Dependencies	Impacts	Short term		Long term				
				Risk	Opportunity	Risk	Opportunity			
Circularity and waste	This topic covers all aspects related to the generation, prevention and sustainable treatment of waste, as well as the integration of recycling and circularity concepts. These include: - Waste volumes in construction - Recycling and circular economy requirements	N.A.	M	Go fast or go home	M			H	M	
				Sand in the gears	L		H			
Regulation and governance	This topic covers all aspects related to legal, political and financial frameworks, as well as risk provisions for construction projects. These include: - Increasing regulatory requirements - Financial impacts of non-compliance - Legal and political risks - Regulatory required planning for climate adaptation	M	L	Go fast or go home	H		M	M	L	
				Sand in the gears	M		M			
Market and society	This topic covers all aspects related to economic framework conditions, social expectations and social risks for the real estate and construction industry. These include: - Macroecological developments - Changes in customer behavior and reputation - Social and ethical requirements - Increased expectations in terms of transparency and responsibility	H	VH	Go fast or go home	H			H	L	
				Sand in the gears	H		H			

<b>L</b> Low dependency/impact	<b>VH</b> Very high dependency/impact	<b>L</b> Low risk	<b>M</b> Medium opportunity	<b>L</b> Low influence
<b>M</b> Moderate dependency/impact	<b>N.A.</b> Not applicable	<b>M</b> Medium risk	<b>H</b> High opportunity	<b>M</b> Medium influence
<b>H</b> High dependency/impact		<b>H</b> High risk		<b>H</b> High influence
				<b>VH</b> Very high influence

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## STRATEGIC MEASURES

The Instone Group has developed the following measures to effectively manage the identified nature-related financial risks and to minimize environmental impacts. The measures are systematically structured according to the action areas of the matrix:

### Climate and energy

- We conduct a qualified climate scenario analysis to identify early on whether additional climate protection measures are necessary. This reduces the risk of non-achievement of the emissions reduction targets as well as potential revenue losses.
- The climate scenario analysis in land acquisitions is a critical tool for factoring the uncertainty of climate change into strategic decisions. Early consideration and ongoing dialog about possible physical climate risks in the planning process create planning certainty, enable planning to be adapted immediately in early planning phases and can increase the resilience of our properties over the long term.
- To estimate the development of construction costs, we conduct a qualified, quantitative transitory climate scenario analysis in conjunction with market scenarios and review this regularly. To further limit the impact of the costs of CO<sub>2</sub> emission allowances and energy price developments, a draft MACC (Marginal Abatement Cost Curve) was initiated in 2022; it is being expanded further and helps with continuous monitoring.

### Ecosystems and biodiversity (including water)

- Obtaining environmental assessments, such as flora, fauna and habitat assessments (FFH assessments) and within the framework of the due diligence phase, as well as conducting environmental impact assessments as necessary, serve to identify and assess potential risks to biodiversity and ecosystem services at an early stage. These measures help to reduce the likelihood that we will not be able to use project areas as planned due to adverse effects on flora and fauna.

- To counteract the impacts of the loss of nature and the degradation of local ecosystems, we rely on technological and nature-based solutions. These include greening measures such as green facades and green roofs, vegetation areas rich in species and near-natural structures such as hedges, wetlands and nesting aids. In addition, we promote the use of water-permeable coverings and rainwater recycling systems. These measures increase the ecological quality of our sites and at the same time increase their resilience to climatic changes.

### Spaces and land use

- We maintain close contact with the relevant specialist authorities to mitigate the risk of local environmental regulations delaying construction or impairing revenue generation. In addition, clear regulations are enshrined in urban planning contracts and preliminary contracts with funding providers and adaptation clauses are integrated to ensure planning certainty, where required.

### Resources and materials

- We are gradually switching to sustainable, recycled and nature-friendly materials in order to reduce environmental impacts and promote resource-efficient construction. In doing so, we are paying more attention to transparent and responsible supply chains to ensure environmental and social standards along the entire value chain.

### Circularity and waste

- In order to promote circular construction, we are increasingly focusing on building materials that enable a significant reduction in CO<sub>2</sub> and also offer high reusability in line with the cradle-to-cradle principle. This enables us to support closed material cycles, minimize waste throughout the life cycle and increase the environmental efficiency of our construction projects.

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**Regulation and governance**

- We have commissioned legal advice to ensure that we correctly interpret regulatory requirements and meet the EU taxonomy’s nature-related requirements. This reduces the risk of higher financing costs due to non-compliance.

**Market and society**

- To meet the expectations of the market and society, we plan and implement measures to promote biodiversity in early phases of the project. By establishing a clear position in the market and following a targeted marketing and communication concept, we make this added value visible and raise awareness of nature-positive and responsible project development.

OBJECTIVES AND OUTLOOK

One of our key action areas is to conceptually examine a binding biodiversity guideline for new construction projects and to exclude sites with a particularly high risk to nature where responsible project development cannot be guaranteed there. We also pursue the goal of developing green and biodiversity-friendly neighborhoods that strengthen environmental functions and promote natural habitats. To integrate biodiversity into our business processes early and systematically, the topic is also integrated into investment processes, location decisions and our digital planning and management tool.

In the future, specific measures and tools will be transparently provided as our TNFD strategy continues to be implemented. This includes the publication of a package of measures that enables the systematic selection and implementation of nature-related measures throughout the entire project cycle. In addition, a biodiversity concept paper is to be developed and published which provides guidelines and practical recommendations for promoting biodiversity in real estate project development.

To assess and prioritize the measures from the package, a procedure for evaluating them according to monetary and biodiversity-enhancing criteria is also being developed. This provides a sound basis for effective decisions, improves the controllability of biodiversity targets and increases transparency for internal and external stakeholders.

## Risk and impact management

We present the processes for identifying, assessing, prioritizing and managing nature-related risks and opportunities, as well as including them in company-wide risk and opportunity management. These processes are based on clearly defined criteria and are regularly reviewed to take into account new developments and regulatory requirements. The results are incorporated into strategic decisions and operational measures.

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## Risk and impact management

Responsible management of biodiversity is a key element of sustainable action for us. It encompasses reducing and preventing negative impacts on nature in the context of our management of impacts and is also a key element of a forward-looking risk management process, as losing biodiversity can significantly impact business stability and long-term success.

The Sustainability & Transformation assumes responsibility for impact management and identifies the material impacts of our projects on nature and biodiversity. The results are passed on to the IMPACT groups which then develop and determine specific measures to prevent, mitigate or compensate for adverse environmental impacts and monitor their implementation. The impact is measured using the key performance indicators [table 004](#) presented below, such as the percentage of green space and emissions in the value chain. This allows us to create transparency regarding our contributions to biodiversity and enables continuous improvement.

The Instone Group has an established and structured risk management system with clear processes for identifying, assessing and managing risks. This enables us to systematically integrate biodiversity aspects into our business processes right from the start so we are able to address and manage nature-related risks at an early stage.

At the Instone Group, the risk management system is understood to mean the entirety of all organizational regulations and measures intended to identify business risks at an early stage and to counteract them with appropriate measures in good time. This is intended to secure the defined business goals and future success of the Instone Group. Unrecognized and therefore uncontrolled and unmanaged risks represent a high risk potential for the Instone Group.

Systematic risk management reduces this while also safeguarding the continued existence of the company, the preservation of jobs and the successful further development of the Instone Group. The framework for the risk management system was drawn up in accordance with auditing standard IDW PS 340 as amended.

Key elements of the risk management system include the use of risk management software, quarterly risk identification measures, closely monitored database-assisted project controlling, periodic reviews, internal approval processes for any far-reaching decisions, the internal control system (ICS) and the four-eyes principle. The powers for individual decision-making levels are clearly regulated in the internal guidelines. The risk management process does not encompass a separate opportunities management function. We evaluate identified opportunities in terms of their impact on the planned results within the framework of existing planning and controlling processes.

We are continuously working to optimize the risk management system together with our independent partners. As a German stock corporation listed on the Frankfurt Stock Exchange, the Instone Group is subject to the corresponding regulatory framework. As a result, the Management Board and the Supervisory Board are also obliged to issue an annual declaration on the extent to which the recommendations of the German Corporate Governance Code (DCGK) have been observed. All applicable internal guidelines, rules of procedure and measures designed to ensure a group-wide standardized and structured approach to risk management are reviewed internally on a regular basis and updated where applicable.

Within the scope of the risk management process, the Risk Management Department coordinates the identification, evaluation, documentation and communication of risks. It consolidates the risk reports of the risk officers and prepares the report for the Management Board and the Supervisory Board's audit committee. This enables the Management Board to systematically identify and assess material risks within the company or in the company's environment in a timely manner and initiate appropriate countermeasures. [Annual Report 2025, page 43 et seq.](#)

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## IDENTIFICATION OF NATURE-RELATED RISKS AND IMPACTS

Nature-related risks and impacts are identified based on the methods described in the strategy section. These include the double materiality assessment, the scenario analysis and the application of the WWF Biodiversity Risk Filter. These tools enable us to systematically assess potential risks and impacts along our value chain. Physical risks (e.g. water scarcity, natural disasters), transitory risks (e.g. new legal requirements, construction requirements) and reputational risks (e.g. public criticism, NGO campaigns) are taken into account. The strategy section of this report contains a detailed description of the processes used as well as the risks and impacts identified. [☰ page 30 et seq.](#)

The risks identified using the applied methods are continuously monitored and gradually integrated into the existing risk management system. [☰ table 003](#)

## RISK ASSESSMENT AND PRIORITIZATION

By means of a systematic process, the risk officers regularly identify, analyze and update all risks in their respective area of responsibility that arise by comparison with the applicable medium-term business plan. They can perform these tasks with the support of risk assistants if necessary. These risks are subdivided into the six risk categories of “general business risks”, “compliance risks”, “financial risks”, “project business risks”, “IT and communication risks” and “legal risks” and their subcategories. The determined impact and probabilities of occurrence are classified within specified ranges for each risk and documented in a group-wide risk overview. Risks are assessed in terms of earnings before tax (EBT), earnings after tax (EAT) and liquidity. Negative deviations from these planned figures are taken into account for the three-year period under review.

[↗ Annual Report 2025, page 44](#)

## INTEGRATION INTO EXISTING RISK MANAGEMENT SYSTEMS

Unless otherwise stated, the issue of sustainability (including biodiversity) is fully integrated into our overarching risk management and internal control systems in accordance with the binding risk management system guidelines adopted by the Management Board. In addition, the Sustainability & Transformation department has been participating regularly in the meetings of the Instone Group’s risk committee since 2025, where it reports on specific risks connected with sustainability matters. The double materiality assessment agreed with the Management Board and the results of the scenario analysis and the WWF Biodiversity Risk Filter form the basis for the recording and evaluation of risks with regard to sustainability and TNFD reporting.

The internal control system serves to ensure risks are avoided and minimized in the sustainability and TNFD reporting process. It is closely linked to the risk management system, its content is the responsibility of the Financial and Accounting Division and it is continually refined. The management function reports directly to the CFO. Risk management is managed by the Controlling & Risk Management department, which also reports directly to the CFO. The results of the risk assessment with respect to the sustainability and TNFD reporting process are also part of the regular reporting to the Management Board and the Supervisory Board. As the highest decision-making authority, the Management Board acknowledges and approves the documented risks. In addition, the audit committee is concerned with the effectiveness of the internal control system and the risk management system. Finally, as the highest decision-making body with ultimate responsibility, the Management Board approves the annual sustainability and TNFD report and the audit committee assesses the content of the sustainability report as part of its preparations for the decision of the full Supervisory Board on the approval of the annual and consolidated financial statements.

[↗ Sustainability report 2025, page 189](#)

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## CONTROL, MONITORING AND PLANNING OF MEASURES

The risk management system is regularly updated and developed and particularly adapted to changes in our company. The risk management guideline describes the core elements of the risk management system and defines responsibilities. It is amended continuously as necessary. Basic and coordinating activities related to the risk management system are carried out by the Controlling & Risk Management division, communicated to the risk management committee and, if necessary, approved by the risk management committee and the Management Board of the Instone Group.

**This process includes:**

- Documentation and communication of rules for the risk management process at the Instone Group
- Definition, ongoing determination and review of the company's risk-bearing capacity
- Further development of existing risk management regulations
- Point of contact for all fundamental questions of risk management at the Instone Group
- Critical scrutiny of the reported risk situation as well as discussion and critical reflection in the event of uncertainties regarding reported or unreported risks
- Discussion, coordination and follow-up of countermeasures

- Determination of risk-bearing capacity
- Training of risk officers and assistants
- Reporting to the Management Board about material risks and their development

The described process is permanently managed by the Controlling & Risk Management division. The results and decision-relevant points are presented to the risk management committee, which meets once every quarter. Extraordinary meetings are convened when needed.

Risk management activities and results are documented in a quarterly risk report, which is made available to the Management Board. The Supervisory Board's audit committee is also informed about the risk situation four times a year. This reporting system ensures that both management and supervisory bodies are fully informed and that relevant operational early warning indicators are in place. In this way, undesirable developments can be detected in good time and countermeasures initiated at an early stage. If material risks occur suddenly, they are reported to the Management Board without delay. [↗ Annual Report 2025, page 45 et seq.](#)

## Metrics and targets

We describe the metrics used to measure nature-related dependencies, impacts, risks and opportunities, as well as the targets set to manage and improve performance in this area. This includes transparency regarding progress and the integration of targets into corporate strategy. The metrics are defined in such a way that they enable clear future comparability and serve as the basis for continuous improvement measures.

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## Metrics and targets

In the 2026 financial year, the Instone Group will examine which targets related to biodiversity and ecosystems can be developed. It will examine how specific, measurable and time-bound objectives can be developed to specifically address the company's material impacts on biodiversity and ecosystems. On this basis, we want to define clear action frameworks and progress indicators that meet the requirements of TNFD reporting and enable a transparent assessment of actions to promote and preserve biodiversity.

As part of TNFD reporting, both qualitative and quantitative data is used to assess nature-related dependencies, impacts, risks and opportunities holistically. Qualitative information serves to create transparency around strategic approaches, governance structures and processes for integrating natural aspects into project development. It describes decision-making logic, responsibilities and measures to mitigate risk, among other things. Quantitative data supplements this perspective with measurable performance indicators (KPIs) that map impacts on biodiversity, water and land consumption, and also emissions. The combination of both types of data enables a balanced and traceable representation of nature-related performance throughout the entire project life cycle and provides the basis for continuous improvement in line with TNFD requirements.

The available disclosures initially relate primarily to the TNFD KPIs which are required to be reported. In addition, voluntary KPIs are already taken into account in selected areas. Limits in informative value arise particularly where our business model does not currently allow for the quantitative collection of individual KPIs. In these cases, narrative explanations supplement the KPIs. The provision of the optional KPIs will be reviewed in order to collect these internally and centrally in the future if necessary and report them transparently. [table 004](#)

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## TARGETS

The indicators and targets presented reflect the current status of our nature-based management and represent an important step toward systematic, data-based integration of biodiversity and ecosystem services into our corporate management system. At the same time, we see the existing range of KPIs as a dynamic state of development that is being continually refined as the TNFD framework continues to be applied and data availability increases.

## MONITORING AND REPORTING

The systematic collection, management and evaluation of key ESG indicators, including nature-related data, is an essential element of our sustainability management. Against this backdrop, we are consistently pushing ahead with the development of our company-wide digital ESG platform. This provides a solid structural basis for collecting and systematically evaluating relevant sustainability data in a uniform, transparent and audit-proof manner. At the same time, it allows us to gradually deepen and expand quantitative data collection, thereby supporting the continual improvement of our data quality and management capability in the area of nature-related dependencies, impacts, risks and opportunities.

As our systems and processes evolve, we are pursuing the goal of integrating nature-related aspects even further into existing decision-making and control mechanisms. In the coming reporting periods, we intend to further deepen the quantitative recording of nature-related dependencies, impacts, risks and opportunities, to integrate additional project- and portfolio-related key performance indicators, and to further strengthen the link with existing processes related to management, risk and finance. In this way, we are laying the foundation for even greater transparency, comparability and management relevance of our nature-related reporting, and helping to align our projects and investment decisions with the goals of a nature-friendly and resilient economy in the long term.

We would also like to draw attention to our ESRS E4 report on biodiversity and ecosystems, which is based on the requirements of the Corporate Sustainability Reporting Directive (CSRD).

[↗ Sustainability report 2025, page 222 et seqq](#) In this document, we present our material impacts, risks and opportunities related to biodiversity and ecosystems in a supplementary form, and create a close link between regulatory reporting and voluntary disclosure standards.

The digitally provided TNFD report is an integral part of our ESG communication. It serves to create transparency about our approach, our progress and our levers of action, to make developments comprehensible over time, and to strengthen ongoing, fact-based dialog with our stakeholders. In the future, we will continue to develop our nature-based reporting in accordance with regulatory requirements, market standards and scientific findings, thereby contributing to responsible and sustainable real estate development.

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	Indicator	Metric	Further explanation and qualitative objective
mandatory		Total area (m <sup>2</sup> ) (total):	
	C1.0	- Total area controlled/managed by the organization and over which the organization has control (m <sup>2</sup> ): 323,896.0 (in km <sup>2</sup> : 0.32)	
	Total spatial footprint	- Total area affected (m <sup>2</sup> ): 36,227.5 (in km <sup>2</sup> : 0.04) - Total area renovated/restored (m <sup>2</sup> ): 13,410.0 (in km <sup>2</sup> : 0.01)	All the sites owned or managed by us were taken into account. We do not lease any sites.
	C1.1	Extent of change in land/freshwater/marine ecosystem use (m <sup>2</sup> ) by:	
	Extent of land/freshwater/ocean use	- Type of ecosystem: brownfield: 195,835.0 (in km <sup>2</sup> : 0.20), greenfield: 39,190 (in km <sup>2</sup> : 0.04) - Nature of business activity: only residential developers	In the future, most of the development will be concentrated on areas that have already been built on or previously used (brownfield) in order to largely avoid additional new sealing of previously undeveloped areas.
	C1.1	Extent of ecosystem land/freshwater/ocean obtained or restored (m <sup>2</sup> ), divided into:	
	Extent of land/freshwater/ocean use	- Voluntary: 0.0 - Required by law or regulations: 18,406.0 (in km <sup>2</sup> : 0.02)	We aim to minimize the additional sealing of land while maximizing the use of the permitted buildability. We compensate for unavoidable interventions through voluntary or officially mandated compensatory measures such as high-quality green and open spaces, roof and facade planting, or retention areas that are given ecological value.
		Extent of sustainably managed land/freshwater/marine ecosystems (km <sup>2</sup> ) by:	
C1.1	Extent of land/freshwater/ocean use	- Type of ecosystem: Urban and suburban land ecosystems (e.g. brownfield land, conversion sites, inner city development areas), green and open spaces (e.g. parks, green corridors, compensation areas). - Type of business activity: Project development on brownfield land (revitalization and densification), new construction and neighborhood development, revitalization, land sealing and environmental upgrading of existing sites.	By differentiating business activities, transparency is created regarding the extent to which our core activities contribute to sustainable land use, reducing land consumption and improving the environmental quality of sites.

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Indicator	Metric	Further explanation and qualitative objective	
mandatory	C2.0 Pollutants entering the soil, broken down by type	Pollutants entering the soil (in tonnes), by type, with reference to sector specific guidelines on types of pollutants: - Pesticides used in green spaces by toxicity hazard level: <b>not applicable</b>	The indicator for pesticides and chemical nitrogen and phosphorus fertilizers is not applicable to us because we do not carry out any agricultural or intensive horticultural management of land. Our green spaces and open spaces serve to enhance the environment and are extensively maintained or looked after by external service providers without us stipulating or controlling the use of pesticides or chemical fertilizers. We do not purchase or use any such materials, so no relevant material streams are generated and the TNFD indicator cannot be classified as applicable to us.
		- Chemical nitrogen fertilizers used in green spaces by source: <b>not applicable</b>	
	- Mineral phosphorus fertilizers used in green spaces by source: <b>not applicable</b>		
	EH. C2.0 RE. 2.0 Spills Volumes of release of diesel, paints, solvents and toxic chemicals as well as wastewater discharges exceeding local government or international standards (m <sup>3</sup> ), according to national or in-house classification scheme for releases, where relevant, and by type of ecosystem concerned, with reference to the standard adhered to: <b>not applicable</b>	This indicator is not applicable to us because we do not operate our own industrial processes in which environmentally hazardous substances could be released. Construction services and the handling of operating materials are performed exclusively by external companies that are subject to strict environmental and water protection regulations.	
	C2.1 Discharged wastewater	Quantity of water discharged (m <sup>3</sup> ): <b>no information</b>	Pipes and drainage systems are installed and connected in accordance with generally recognized engineering standards, in particular DIN EN 1610, DIN 1986-100 and DIN EN 12056. These standards govern the choice of material, gradients, sealing and leak tests, ensuring safe, functional and environmentally compatible operation.
		- Concentrations of the main pollutants in discharged wastewater, by type of pollutant, with reference to sector-specific guidelines on types of pollutants: <b>no information</b>	
	C2.2 Waste generation and disposal Total spatial footprint	- Temperature of water discharged, if relevant: <b>no information</b>	The waste quantities shown include those projects for which we have waste data in the form of waste balance sheets or disposal certificates. To further improve data quality, we will include specialized service providers for waste logistics on all new construction sites as mandatory in the future. This makes it possible to systematically record and evaluate the quantities of waste generated. This provides a reliable data basis, creates more transparency in the disposal chain and supports the continual optimization of our waste management.
		Weight of hazardous and non-hazardous waste generated, by type (tonnes)	
		Weight of hazardous/non-hazardous waste disposed of (in tonnes), broken down by: - Waste incinerated (with and without energy recovery): <b>hazardous: 73.5 t/non-hazardous: 88.8 t</b> - Waste taken to landfill: <b>hazardous: 28.0 t/non-hazardous: 6,318.0 t</b> - Other disposal methods: <b>hazardous: 0.0 t/non-hazardous: 0.0 t</b>	
	Waste generation and disposal	Weight of hazardous/non-hazardous waste (in tonnes) not disposed of in landfill, broken down by: - Waste reused: <b>hazardous: 0.0 t/non-hazardous: 3,094.0 t</b>	
- Recycled waste: <b>hazardous: 0.9 t/non-hazardous: 12,757.3 t</b>			
Total spatial footprint	- Other recovery methods: <b>hazardous: 0.0 t/non-hazardous: 53,308.2 t</b>		

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Indicator	Metric	Further explanation and qualitative objective
C2.3 Plastic pollution	Plastic footprint, measured by total weight (in tonnes) of plastics used or sold (polymers, durables and packaging), broken down by raw material content: no information	During the construction phase, we ensure that no plastic materials enter the environment uncontrolled. Plastic waste is collected separately, stored appropriately and properly disposed of or recycled. In addition, manufacturers and suppliers take back most of the packaging and recycle it professionally. In this way, we minimize the risk of plastic emissions to soils, water and ecosystems.
	Extent of ecosystem land/freshwater/ocean Non-GHG air pollutants (tonnes) by type: <ul style="list-style-type: none"> <li>- Particulate matter (PM2.5 and/or PM10): no information</li> <li>- Nitrogen oxides (NO<sub>2</sub>, NO and NO<sub>3</sub>): no information</li> </ul>	
C2.4 Non-GHG air pollutants	<ul style="list-style-type: none"> <li>- Volatile organic compounds (VOC or NMVOC): no information</li> <li>- Sulfur oxides (SO<sub>2</sub>, SO, SO<sub>3</sub>, SO<sub>x</sub>): no information</li> </ul>	We pay attention to low impact construction site management. A binding working tool defines the handling of environmentally relevant materials, the appropriate storage of materials and measures to avoid emissions. Our construction partners are obliged to comply with these requirements so that potential environmental and health risks on our construction sites are minimized.
	<ul style="list-style-type: none"> <li>- Ammonia (NH<sub>3</sub>): no information</li> </ul>	
C3.0 Water abstraction and consumption in areas with water scarcity	Water abstraction and consumption (m <sup>3</sup> ) from areas with water scarcity, including identification of water source.	There is currently no water scarcity at our existing and planned sites. Therefore, no relevant water abstraction is made from areas classified as having a scarcity of water; the water needs for construction and operation are met through the groundwater network managed by regional suppliers. As a result, there is currently no significant risk of harming scarce water resources.
	<ul style="list-style-type: none"> <li>- The area (m<sup>2</sup> and % of total area) of the ground area and the area of external assets for which data has been collected on water abstraction: not applicable</li> </ul>	
	<ul style="list-style-type: none"> <li>- Water abstraction (m<sup>3</sup>) for the area for which data are available: not applicable</li> <li>- Source of this water: 100.0% from the regional groundwater network</li> </ul>	
C3.1 Quantity of high-risk natural products from land/sea/freshwater	Quantity of high-risk natural raw materials (in tonnes) sourced from land/sea/freshwater sources, broken down by species, including the share of total natural raw materials. No information	We are currently examining the establishment of a structured process through which the corresponding data can be systematically evaluated in the future. This concerns the reporting of the quantity of high-risk natural raw materials (in tonnes) sourced from land, sea and freshwater sources, including steel, broken down by type of raw material, and including their share of total natural raw materials used.
C3.1 Quantity of high-risk natural products from land/sea/freshwater	Quantity of high-risk natural products (tonnes) procured under a sustainable management plan or certification program, including the share of total high-risk natural products: no information	Our main dependencies on natural resources are the use of timber and other nature-based building materials. To mitigate biodiversity-related risks, we source most of these from sustainable forestry or via certified supply chains (e.g. FSC, PEFC). Our partners provide proof of responsible origins. In this way, we reduce potential impacts on ecosystems and further develop our processes for assessing these dependencies.

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TABLE 004

Indicator	Metric	Further explanation and qualitative objective
C4.0		
Placeholder indicator: Measures against the unintentional introduction of invasive alien species (IAS)	Proportion of high-risk activities carried out using appropriate measures to prevent the unintentional introduction of invasive alien species, or low-risk activities designed to do so: <i>not applicable</i>	We organize our procurement and construction processes in a way that largely eliminates the risk of accidental introduction of invasive species. We achieve this by predominantly using natural and locally sourced building materials and standardized products with transparent supply chains. As a result, there are currently no relevant material flows that indicate an increased IAS risk, and specific IAS measures are not applicable to our business activities.
C5.0		
Placeholder indicator: State of the ecosystem	State of the ecosystem by ecosystem type and business activity: <i>no dependencies</i>	In the absence of a uniform TNFD standard for evaluating dependencies and impacts, we use the WWF Biodiversity Risk Filter. The category 2.4 "Ecosystem Condition" was used in particular for our sites. The current analysis determines no dependency for our developed and acquired properties, meaning that there are no direct dependencies on sensitive ecosystem services. We will continually review and refine this assessment as new standards or findings become available.
C5.0		
Placeholder indicator: Species extinction risk	Risk of species extinction: 2.5	We produce comprehensive environmental assessments for the development of our properties in order to identify potential risks to biodiversity early on. Environmental reports and environmental protection assessments ensure that our construction projects do not pose an increased risk of species loss. The assessment using the WWF Biodiversity Risk Filter shows a moderate risk value of 2.5 for the areas concerned.
	Length (km), area (km <sup>2</sup> ), number of lanes, planned traffic and type of surface or material of the upgraded and/or newly built linear infrastructure (e.g. conveyor belts, roads, rails, power lines, channels, pipelines, fences):	
	<ul style="list-style-type: none"> <li>- In sensitive locations according to criteria met for sensitive locations, indicating ecosystem type: <i>not applicable</i></li> <li>- In other areas, indicating ecosystem type: <i>not applicable</i></li> </ul>	
	Number of completed wildlife crossings or other measures to reduce fragmentation per kilometer of linear infrastructure, including:	
EH.C1.0	- Number with proven wildlife use: <i>not applicable</i>	
RE.A1.0	- Length, width and/or height (underpasses only) of crossings (m): <i>not applicable</i>	
Change in fragmentation through linear infrastructure	Wildlife crossings include underpasses, overpasses and treetop bridges. Other measures to reduce fragmentation may include retrofitting existing passages, fences and jumping points.	Reporting on linear infrastructure is not relevant for us because we do not build infrastructure beyond the usual neighborhood-based development and we do not slice up any habitats. Our projects are located in urban or pre-developed areas without any fauna worthy of protection. We enhance greenfield spaces through high-quality green spaces, limited sealing and ecological measures such as biodiverse plantings, nesting boxes and green roofs.

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	Indicator	Metric	Further explanation and qualitative objective
mandatory	RE.C3.0		
	Use of fertilizer and compost	Manure and compost addition on green spaces (t): not applicable	We develop and realize residential properties, but without the agricultural management of land. The open spaces created as part of projects (e.g. green spaces, playgrounds, common areas) are landscape design elements and do not require manure or large-scale compost application.
voluntary	A3.0		
	Total water consumption & abstraction	Total volume of water abstraction and water consumption (m <sup>3</sup> ): 18,236.8 m <sup>3</sup>	Total water consumption on our construction sites is recorded using water meters. In the absence of day-to-day coverage, the available figures are extrapolated methodically to the reporting year.
	A20.0		
	Engagement	Percentage of sites where active collaboration with local stakeholders on nature-related issues takes place: 19.4 %	Currently, active collaboration with local stakeholders is sporadic. However, greater collaboration in the future should not be ruled out.
		Average noise level and/or frequency (dB, Hz) over a period of two hours, focusing on sunrise and sunset before the construction period starts (baseline value) and during the construction project on site and/or in the nearest noise-sensitive habitat to largest source of noise: no information	
		Average noise level and/or frequency over the day (dB, Hz), before the start of construction (baseline value) and during the construction project, on site and/or in the noise-sensitive habitat closest to the largest source of noise: no information	
		Average noise level and/or frequency (dB, Hz) before construction period starts (baseline value) and during the noisiest time of day during the construction project on site and/or in the noise-sensitive habitat closest to the main source of noise: no information	Our construction site regulations require all construction partners to comply with applicable noise protection requirements. Noise-producing equipment must comply with the state-of-the-art and demonstrably comply with the thresholds of the Federal Immission Control Act and the Technical Instructions on Noise Abatement. The action values (80/85 dB(A) or 135/137 dB(C)) set out in the Noise and Vibration Workplace Safety Regulation must be observed; noise areas must be appropriately labeled and necessary hearing protection measures implemented. Due to the inner city location, unavoidable noisy work outside normal working hours must be coordinated or approved with local authorities and residents.
EH.A2.1			
Noise pollution	Number of incidents where noise levels exceeded local official or international standards: no information		
		Scope 1 emissions: 559.5 tCO <sub>2</sub> e	
		Scope 2 emissions: 232.3 tCO <sub>2</sub> e	
GHG emissions		Scope 3 emissions: 259,556.3 tCO <sub>2</sub> e	Scope 1 covers direct emissions from our own company car fleet. Scope 2 refers to indirect emissions resulting from the consumption of electricity and heat in our offices, branch offices and on our construction sites. Our Scope 3 emissions are generated throughout the entire life cycle of our projects, starting with the manufacture of the construction materials used, through to the use phase and ending with disposal. In Scope 3, we also take into account emissions that arise directly from our business activities, such as business trips, our employees' commutes or emissions from leased properties before the start of the project.
RE.A1.1			
Number of trees planted		983 newly planted trees	

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## APPENDIX

### Disclosures recommended by the TNFD

FIGURE 010

Governance	Strategy	Risk & impact management	Metrics & targets
<p>Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.</p>	<p>Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.</p>	<p>Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.</p>	<p>Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.</p>
<p><b>Recommended disclosures</b></p>	<p><b>Recommended disclosures</b></p>	<p><b>Recommended disclosures</b></p>	<p><b>Recommended disclosures</b></p>
<p><b>A.</b> Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.</p>	<p><b>A.</b> Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.</p>	<p><b>A(i)</b> Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.</p>	<p><b>A.</b> Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.</p>
<p><b>B.</b> Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.</p>	<p><b>B.</b> Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.</p>	<p><b>A(ii)</b> Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).</p>	<p><b>B.</b> Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.</p>
<p><b>C.</b> Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.</p>	<p><b>C.</b> Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.</p>	<p><b>B.</b> Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.</p>	<p><b>C.</b> Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.</p>
	<p><b>D.</b> Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.</p>	<p><b>C.</b> Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.</p>	

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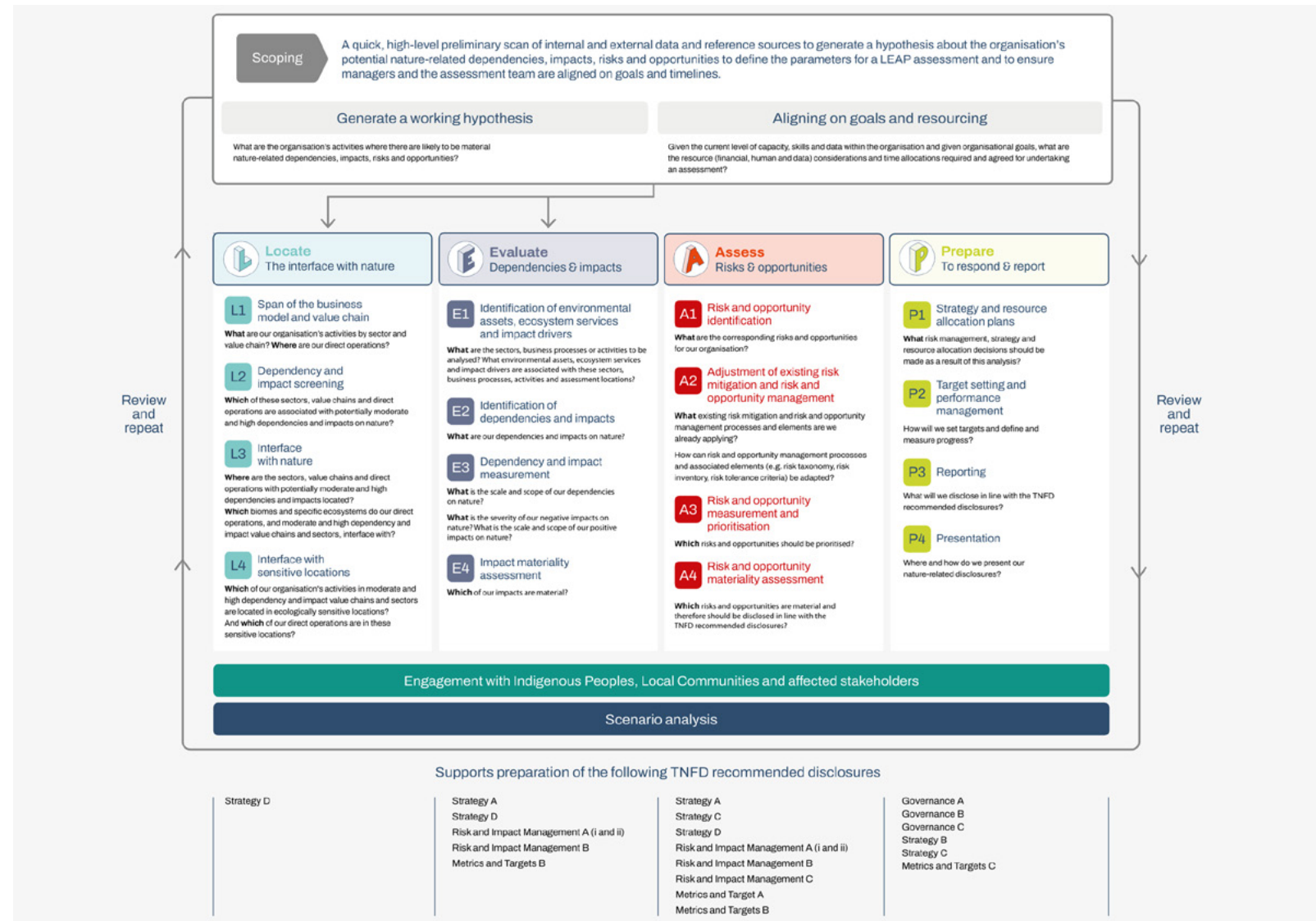
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The TNFD approach to identifying and assessing nature-related topics - LEAP

FIGURE 011



TNFD (2023): Recommendations of the Taskforce on Nature-related Financial Disclosures.

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TABELLE 005

	ID shown	Impact (positive/negative)	Risk/opportunity	Position in the value chain			Time frame			
				Upstream	Own business area	Downstream	Short term	Medium term	Long term	
E1	<b>Adaptation to climate change</b>									
	Adaptation of buildings to climate risks	1	Negative	●						●
	Consideration of climatic conditions (in planning)	2	Positive	●	●					●
	Additional costs due to climate-adapted construction methods			Risk	●	●				●
	<b>Climate protection</b>									
	GHG emissions from extraction of raw materials and production of building materials	3	Negative		●			●		
	GHG emissions from the production, transport and disposal of building materials	4	Negative		●		●	●		
	GHG emissions in use phase	5	Negative				●	●		
	Increased costs due to higher contractual partner requirements			Risk	●					●
	<b>Energy</b>									
Energy requirement in the use phase	6	Negative				●	●			
Increased costs due to higher energy prices at contract partners			Risk	●				●	●	
E4	<b>Direct causes of biodiversity loss</b>									
	Habitat changes due to construction activities	7	Negative	●				●	●	●
	<b>Impacts and dependencies of ecosystem services</b>									
	Habitat changes due to raw material extraction	8	Negative	●				●		
	Financial risks due to a shortage of resources			Risk	●					●
Financial risks due to threats to flora and fauna			Risk	●	●		●	●	●	

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TABLE 005

	ID shown	Impact (positive/negative)	Risk/opportunity	Position in the value chain			Time frame			
				Upstream	Own business area	Downstream	Short term	Medium term	Long term	
E5	<b>Resource inflows, including resource utilization</b>									
		Resource requirements for the production of building materials and construction activities	9	Negative	●			●	●	
		Financial risks due to shortage of building materials			●					●
	<b>Waste</b>									
		Waste from construction activities	10	Negative	●			●	●	
S1	<b>Working conditions</b>									
		Working conditions for own workforce	11	Negative		●		●	●	●
		Increased shortage of skilled labor due to reputational damage				●				●
	<b>Equal treatment and equal opportunities for all</b>									
		Equal treatment within the company's own workforce	12	Negative		●		●	●	●
		Increased shortage of skilled labor due to inadequate equal treatment				●				●
S2	<b>Working conditions</b>									
		Working conditions of employees in the value chain	13	Negative	●			●	●	●
	<b>Other work-related rights</b>									
		Labor rights of employees in the value chain	14	Negative	●			●	●	●
		Reputational damage due to forced or child labor			●					●
S3	<b>Economic, social and cultural rights of communities</b>									
		Active district development	15	Positive	●	●		●	●	●
		Mixed districts	16	Positive	●	●		●	●	●
		Needs-based development of real estate and districts		Positive		●		●	●	●
		Financial risks due to municipal regulations			●	●		●	●	●

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TABLE 005

	ID shown	Impact (positive/negative)	Risk/opportunity	Position in the value chain			Time frame		
				Upstream	Own business area	Downstream	Short term	Medium term	Long term
GI	<b>Corporate culture</b>								
	Corporate culture within the company's own workforce	17	Positive		●			●	●
	Increased shortage of skilled labor due to poor corporate culture			Risk		●	●	●	
	<b>Management of relationships with suppliers, including payment practices</b>								
UI	Relationship with suppliers	18	Negative		●		●		
	Poorer conditions due to poor relationship management			Risk		●	●	●	
	<b>Affordable living</b>								
	Affordable housing through subsidies	19	Positive		●				●
UI	Affordable living space through modular and serial construction	20	Positive		●			●	●
	Cost reduction through modular and serial construction			Opportunity		●			●
	Financial support for project development			Opportunity		●	●		

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## Glossary

### A CITIES

A cities: Refers to the metropolises of Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Munich and Stuttgart, which are considered the seven most sought-after locations in Germany in the real estate industry.

### COMPENSATION AREAS

Compensation areas are areas on which measures are implemented to compensate for interventions in nature and the landscape. They serve to compensate for adverse impacts on soil, water, species and habitats, and thus to safeguard or enhance the ecological function of affected areas over the long term.

### B AND C CITIES/ADD CITIES

B cities: Major cities of national and regional importance

C cities: Important German cities of regional and limited national importance with a significant influence on the surrounding region

At the Instone Group these attractive cities are grouped under the umbrella term "add cities".

### BIODIVERSITY

Biodiversity is the diversity of life on Earth. It includes genetic diversity within species, the diversity of species themselves and the diversity of ecosystems. Biodiversity underpins stable ecosystems and secures vital basics such as food, clean water, climate regulation and natural resources.

### CRADLE-TO-CRADLE PRINCIPLE (C2C)

A cradle-to-cradle approach: materials are designed so that they can be fully reused or recycled after use. Waste is to be prevented by keeping everything in closed loops.

### DGNB

The DGNB is the German Sustainable Building Council, an independent organization headquartered in Germany that has developed a certification system for assessing the sustainability of buildings, neighborhoods and interiors. The DGNB system considers environmental, economic, sociocultural, technical and process-related qualities throughout the entire life cycle and awards graduated certificates (e.g. bronze, silver, gold, platinum) to particularly sustainable construction projects.

### DOUBLE MATERIALITY ASSESSMENT (DMA)

The double materiality assessment (DMA) is a process for determining relevant sustainability topics and considers two perspectives: a company's impacts on the environment and society (impact materiality), and the financial risks and opportunities that arise for the company from sustainability topics (financial materiality). It serves to systematically identify and prioritize the key topics for strategy, management and reporting.

### EFFICIENCY HOUSE 40

The Efficiency House 40 Standard is an energy efficient building standard that refers to a building with only 40% of the primary energy demand and 55% of the transmission heat loss of a reference building under the Building Energy Act (GEG). It signifies very high energy efficiency, good heat insulation of the building envelope and highly sustainable construction methods and is often a prerequisite for certain funding programs.

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## ESRS E4

ESRS E4 is one of the European Sustainability Reporting Standards (ESRS). It deals with biodiversity and ecosystems. The standard requires disclosures about impacts, dependencies, risks and opportunities related to biodiversity, as well as strategies, measures, targets and metrics for protecting and restoring ecosystems. The aim is to generate transparency around the impact of companies on nature and biodiversity and around appropriate management approaches.

## FFH REPORTS

An FFH report is a technical assessment under the European Union’s Fauna, Flora and Habitats (FFH) Directive. It assesses whether a project or plan could have significant impacts on protected habitats or species in Natura 2000 areas. The aim is to identify, avoid or compensate for impairments to conservation objectives at an early stage, thus meeting European nature conservation requirements.

## SOIL SEALING

Soil sealing refers to the permanent covering of ground by buildings, roads or other construction works in a way that limits or prevents natural soil functions such as water seepage, soil life and temperature regulation. It has impacts on the water balance, climate and biodiversity, among other things.

## ZONING AND M PLAN PROCESSES

Under Section 1 (2) of the German Building Code (BauGB), a zoning plan is a preparatory urban land-use plan for part of a city and is governed by Sections 5 et seq. BauGB. It regulates the available and probable space requirements for the individual utilization options, such as housing, work, leisure and traffic. A masterplan is a binding urban land-use plan. It regulates how plots of land may be developed as well as the resulting utilization of areas to be left free from development.

## SUBSIDIZED RESIDENTIAL SPACE

Rental apartments that have been created or modernized with the provision of subsidies from state budgets or development banks and whose occupancy and rent levels have been regulated for a certain period of time (social commitment).

## GREENFIELD DEVELOPMENTS

Project development on a previously undeveloped site, i.e. on the proverbial “green field”.

## GRI STANDARDS

GRI (Global Reporting Initiative) standards are modular guidelines that incorporate universal standards, industry standards and topic-specific standards to enable comparable ESG reporting (environmental, social, governance) and create transparency. They are the global standards for reporting and are used by many companies around the world as part of their sustainability reports.

## HABITAT

Habitat is the natural living space of an animal or plant species. It covers the specific environmental conditions such as climate, soil, water, food and protection required for the survival, reproduction and development of a species.

## IFRS S2

IFRS S2 is a climate-related reporting standard published by the International Sustainability Standards Board (ISSB). It firms up the requirements from IFRS S1 for climate-related matters and requires disclosure of climate-related risks and opportunities that may affect the financial position, performance, cash flows or enterprise value. The standard requires disclosures on governance, strategy, risk management, KPIs and targets, including GHG emissions (Scope 1, 2 and 3), climate objectives and transition plans. IFRS S2 is strongly aligned with the recommendations of the TCFD and is intended to provide investors with consistent, comparable and decision-relevant information on climate-related impacts on companies.

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## ICS

The internal control system (ICS) is a system of technical and organizational rules for methodological management and controls in the company and is designed to ensure compliance with regulations and prevent losses.

## IRO

IRO refers to the systematic consideration of impacts, risks and opportunities in the sustainability context. The approach serves to identify and assess a company's impacts on the environment and society as well as its financial risks and opportunities arising from sustainability issues for the company.

## CONVERSION (CONVERSION AREAS)

Conversion or change of use

## LIFE CYCLE ANALYSIS SOFTWARE

Software designed to optimize the energy-related, economic and environmental aspects of a building. The analyses are based on several elements, including the calculation rules in the context of buildings under DIN 15978 as also applied or to be applied by the DGNB and QNG. The choice of the life cycle models under DIN 15978 includes the manufacturing phase (A1-3), exchange during use (B4), energy consumption during use (B6) and waste management and disposal (C3 and C4).

## MICROCLIMATE

The microclimate refers to the climatic conditions in a small area close to the Earth's surface, e.g. in street canyons, inner courtyards or green spaces. It is influenced by factors such as development, vegetation, soil characteristics and water areas and affects temperatures, humidity, wind patterns and local well-being, among other things.

## NZEB -10%

Nearly Zero Energy Building -10% is a building standard where the primary energy demand is at least 10% lower than the statutory NZEB thresholds, i.e. even more energy efficient than a regular nearly zero-energy building due to better building envelope, more efficient technology or a higher proportion of renewable energies.

## ECOSYSTEM

Ecosystems are functional units made up of habitats, living things (plants, animals, microorganisms) and inanimate components such as soil, water and air, which are interconnected by multiple interactions. They provide the basis for ecological processes and services such as climate regulation, water purification, nutrient cycles and biodiversity.

## ECOSYSTEM SERVICES

Ecosystem services are the direct and indirect benefits that humans derive from ecosystems. These include utilities (e.g. food, water, raw materials), regulatory services (e.g. climate regulation, flood control, pollination), cultural services (e.g. recreation, landscaping) and support services such as nutrient cycles and soil formation.

## QNG

QNG is a government certification scheme in Germany for particularly sustainable residential buildings. It defines requirements for ecological, sociocultural and economic quality, including climate protection, conservation of resources, pollution prevention and accessibility. The certification is awarded in conjunction with generally accepted building evaluation systems and is a prerequisite for certain state-sponsored programs.

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## NEIGHBORHOOD DEVELOPMENT

Neighborhood development encompasses the holistic planning, design and implementation of urban subspaces. The aim is to create neighborhoods in which living, working, mobility, care and recreation are combined in a meaningful way.

## SCOPE 1 EMISSIONS

Scope 1 covers direct emissions from company facilities, the business vehicle fleet and the company's own production.

## SCOPE 2 EMISSIONS

Scope 2 covers indirect emissions from purchased energy for internal use.

## SCOPE 3 EMISSIONS

Scope 3 covers all other (not Scope 2) indirect emissions, such as emissions from purchased products and services, and also emissions from employee commutes, business trips, the transportation of products and recycling.

## SDGS

The Sustainable Development Goals (SDGs) are 17 goals adopted by the United Nations that combine environmental, social and economic aspects. They address global challenges such as climate change mitigation, poverty reduction, education, health, sustainable consumption and the protection of ecosystems, and are intended to be achieved by 2030.

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## Contact

Hannah-Kathrin Viergutz

Instone Real Estate Group SE  
Grugaplatz 2-4, 45131 Essen

Phone: +49 201 45355-0  
Fax: +49 201 45355-934  
Email: hannah.viergutz@instone.de

## Legal notice

### **Instone Real Estate Group SE**

Grugaplatz 2-4  
45131 Essen  
Germany

Phone: +49 201 45355-0  
Fax: +49 201 45355-934  
Email: info@instone.de

### **Management Board**

Kruno Crepulja (Chairman/CEO)  
David Dreyfus  
Andreas Gräf

### **Chairman of the Supervisory Board**

Stefan Brendgen

### **Commercial Register**

Registered in the Commercial Register  
of the Essen District Court under HRB 32658

VAT ID number  
DE 300512686

### **Concept, design and implementation**

RYZE Digital  
www.ryze-digital.de

## Financial calendar

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17/03/2026	Publication of financial report as of 31 December 2025
07/05/2026	Publication of quarterly statement as of 31 March 2026
06/08/2026	Publication of half-year report as of 30 June 2026
05/11/2026	Publication of quarterly statement as of 30 September 2026

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**Instone Real Estate Group SE**

Grugaplatz 2-4  
45131 Essen  
Germany

Email: [info@instone.de](mailto:info@instone.de)  
[instone-group.de/en](http://instone-group.de/en)