

2023 ESG REPORT

Building Lasting Impact

Our Vision for Commercial Real Estate

PUBLISHED SPRING 2024

BERKADIA[®]

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A Message from Our CEO

On behalf of Berkadia, it is my pleasure to share our second annual environmental, social and governance (ESG) report.

At Berkadia, we are committed to being a force for good. We continue to embrace our culture's core values of accountability and self-awareness – that is the "Berkadia Way." Our ESG programs are a testament to this commitment, driving value-creation and long-term growth for our clients, partners, and employees.

It is critical that we align ourselves with clients' increasing priorities to create positive impacts on the communities they serve and reduce investment risk. As institutional investors continue implementing practices and policies within their ESG-driven strategies, it is imperative that we support them to make the best investment decisions specific to them.

Berkadia's approach to ESG is designed to deliver better results for all stakeholders not only by developing sustainable real estate, but also by building inclusive and diverse communities. The beneficial tenets of ESG have been a part of our business model since Berkadia's founding in 2009, and, as it makes sense, we will expand our strategic efforts. We are proud of our ESG efforts and progress over the past year and will continue to meaningfully impact the commercial real estate (CRE) industry in the decades to come.

Justin Wheeler
Chief Executive Officer



Berkadia at a Glance

Berkadia is a joint venture of Berkshire Hathaway and Jefferies Financial Group, both of which are renowned for their capital strength and sophisticated investment strategies.

Berkadia is the largest non-bank CRE servicer in the U.S., offering seamlessly integrated investment sales, mortgage banking and servicing so we can adapt in real time. We craft custom, long-term solutions that deliver the best outcomes to our clients. Our privately-held ownership structure sets us apart from our competitors and empowers us to think, solve and react differently. With industry-leading investments in technology and data-driven insights from the country's most skilled CRE professionals, we're built to be more flexible, creative, and innovative — deal after deal, year after year.

About Berkadia

2009

founded in 2009

Largest*

U.S. non-bank commercial loan servicer in the industry

Highest

Primary Servicer ratings from each of Fitch, Standard & Poor's and DBRS Morningstar

2,950+

team members

#1

Government-Sponsored Enterprise (GSE) and HUD Lender by Volume in 2023

\$88B

In 2022 and 2023, our combined Mortgage Banking, Investment Sales and JV equity placement volume exceeded \$88 billion

\$405B

loan servicing portfolio UPB as of year-end 2023

65+

locations throughout the United States and India

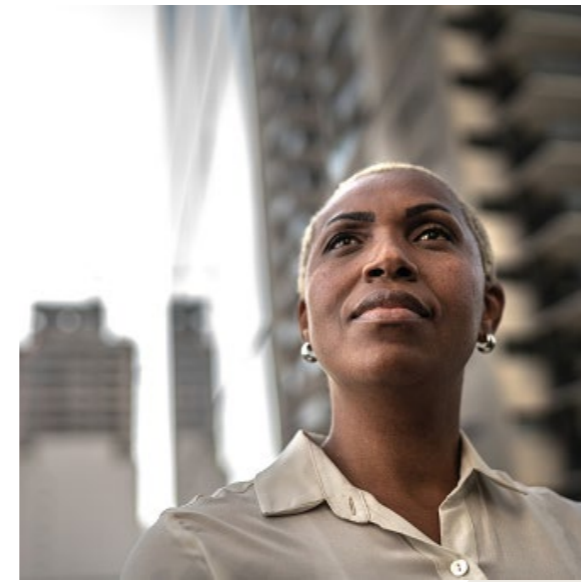
*Based on the most recent MBA Commercial/Multifamily Mortgage Servicer Rankings.

*As of December 31, 2023.



Our vision and values

At Berkadia, we are redefining the industry with long-term investments in people and technology that deliver actionable insights and create the best customer experience. We uphold the following core values in our everyday work:



Integrity is Everything

We say what we mean and do what we say. We never fear doing the right thing.



We Take the Long View

Our objective is long-term value, not short-term gain.



People Matter

Our relationships with customers and colleagues are our most valuable assets.



We Stand For Excellence

We set the highest standards and hold ourselves to them.



We Love Our Jobs

When you enjoy what you do, it rarely feels like work.



We Innovate

A curious, empowered and diverse workforce challenges the status quo and drives change.

Our ESG Approach

At Berkadia, we believe in the power of collaboration and engagement.

We evaluate and implement ESG factors that align to the best interests of our employees, clients, and communities. We continuously improve our products, services, and internal processes to uphold the pillars of our ESG program. By integrating these principles across our diverse stakeholders and throughout our business, we are dedicated to making a positive impact on society and the environment.

Our sustainability vision and mission

Vision

Our vision is to create a sustainable future by investing in responsible business practices, supporting our teams and communities, and practicing environmental stewardship. We leverage our ESG program to drive impactful change for our people, the environment, and our business.

Mission

Berkadia strives to make a measurable and impactful difference through responsible business practices, unwavering support for our people and communities, and diligent environmental stewardship. Our financial sustainability is directly intertwined with our ESG commitments.

We measure our progress on reducing carbon emissions, increasing community engagement, and heightening transparency with our governance practices. Berkadia consistently tracks and reports on our progress toward specific goals in these areas. By seamlessly integrating ESG considerations into our operations and decision-making, we will create a sustainable future for our organization, stakeholders, and the communities we serve.

Pillars of Our ESG Strategy

Berkadia’s 2023 ESG Report details the progress we have made toward advancing our ESG initiatives. We believe our commitment to these strategic areas will create long-term value for our stakeholders and achieve sustainable business success.



Investing in Our People

We invest in a diverse workforce that values our employees’ unique contributions. We aim to maintain an inclusive environment in which all employees bring their whole selves to work.



Operating Responsibly

By governing our business in responsible ways, we build our clients’ confidence in our ability to effectively act on their behalf and provide ethical and reliable services.



Incorporating Sustainability into Our Products and Services

We help our clients make more sustainable and impactful decisions through our affordable housing business line, green building opportunities, and other integrated solutions.



Caring for the Environment

We strive to implement environmentally friendly practices throughout our operational footprint and across our property investments to minimize our environmental impact.

Determining our ESG priorities

We drive a relevant and impactful ESG strategy that leverages insights from our 2022 materiality assessment and stakeholder feedback.

Together, the materiality assessment and ongoing feedback loop help prioritize our ESG topics.

Materiality Assessment

Our inaugural 2022 materiality assessment surveyed a representative sample of employees to identify critical ESG topics. In 2023, we conducted a high-level review of the external landscape and affirmed these priority areas. We perform ongoing internal and external analyses to gather stakeholder input amid an ever-changing landscape.

Please refer to the appendix for the full list of all 18 material ESG topics. The most critical topics among our stakeholder groups are listed below:

Access and Affordability	Business Ethics	Climate Risks	Data Security and Customer Privacy	Diversity, Equity and Inclusion
Employee Engagement, Training and Development	Fair Lending and Customer Welfare	Integration of Sustainability in Our Services	Labor Practices and Employee Well-being	Systemic Risk Management

Stakeholder engagement

We engage with a variety of internal and external stakeholders whose support is important to the long-term success of our business and/or who are materially impacted by our business operations. We proactively engage with our stakeholders regarding our business and sustainability efforts through a mix of open dialogue, collaboration, and transparent disclosure as outlined below:

STAKEHOLDERS	WAYS WE ENGAGE	KEY ESG TOPICS ADDRESSED
Employees	Surveys, newsletters, employee resource groups (ERG), and team meetings.	Flexible schedules and benefits; workplace health and safety; diversity, equity, inclusion and belonging; volunteering; and professional development.
Clients	One-on-one meetings, our corporate website, and external communication channels.	Strategic ESG initiatives, performance transparency, and the integration of environmental and social factors into our services.
Suppliers	Onboarding questionnaires, assessments, and meetings.	Supplier Code of Conduct, financial reporting and credit risk, environmental impacts and risks, and supply chain resiliency.
Local Communities	Financial support and volunteer events.	Berkadia’s philanthropic contributions; employee volunteerism; and innovative solutions supporting underserved communities with education, housing, and other opportunities.
Management Committee	Presentations, communications, and meetings.	Material ESG-related topics that are critical to Berkadia’s long-term business success.

ESG oversight

Berkadia’s Management Committee acts at the direction of our board of managers and oversees our ESG program, sustainable business practices and related initiatives. The ESG program is sponsored by the President of Berkadia and is led by the ESG Working Group, which is comprised of cross-functional leaders who meet monthly to drive Berkadia’s ESG strategy. The ESG Working Group governs and champions our overall ESG strategy and provides quarterly updates to the Management Committee on our ESG program, emerging trends, and stakeholder engagement. In 2023, our ESG Working Group participated in ESG-related training sessions led by third-party ESG experts on topics such as greenhouse gas emissions calculations and sustainability strategies related to Berkadia’s business model.

2023 ESG Highlights

Investing in Our People

Berkadia was recognized as one of the Best Places to Work by GlobeSt in 2023

90% of employees across the U.S. and Hyderabad offices were exposed to Berkadia Way programming with **4.7** average satisfaction rating

20% increase in employee well-being webinar attendance

87% of employees use our learning management system for development opportunities

Operating Responsibly

Recognized as one of **top 200** most cyber secure companies by Forbes Magazine

Launched a new requirement for all employees to participate in risk management training

Launched new Risk, Compliance, Information Security, and Fraud awareness training

Expanded whistleblower hotline accessibility

Incorporating Sustainability into Our Products and Services

#1 GSE¹ and HUD² Affordable Housing Lender by Volume in 2023

Participated in Fannie Mae's new Sponsor-Dedicated Workforce Housing program

Partnered with Fannie Mae Multifamily and Freddie Mac Multifamily on the new Positive Rent Payment program

#2 Fannie Mae Green Financing Lender by Volume in 2023

Berkadia's BeEngaged program supported **15** innovative startups

Caring for the Environment

Began transitioning the majority of our data center needs to cloud platforms, targeted for completion in 2024

India team introduced **six** electric vehicles into the fleet

Expanded GHG³ assessment data coverage by collecting data for **five** additional facilities

¹ Government Sponsored Enterprise

² U.S. Department of Housing and Urban Development

³ Greenhouse Gas

About This Report

This report covers our progress in 2023 related to our sustainability strategy and management of the ESG risks and opportunities most relevant to Berkadia's business.

We aligned our report with the accounting standards published by the Sustainability Accounting Standards Board (SASB), now housed within the International Sustainability Standards Board (ISSB), related to the mortgage finance and real estate services industries. We also identified several U.N. Sustainable Development Goals (SDGs) that we believe are most relevant to our business activities and key priority areas. Both are included in the appendix at the end of this report.

Unless otherwise noted, all quantitative company data covers our fiscal year 2023, reflecting data for the period from January 1, 2023, through December 31, 2023. Throughout the report, we direct readers to additional sources of information on our corporate website and other websites for convenience. Please see the appendix at the end of this report for more information.



Investing in Our People

Berkadia is committed to providing a safe workplace where our employees are enabled to create positive impact, supported to grow their careers, and valued as individuals. We strive for a people-first culture where every individual is empowered and accountable.

Berkadia was recognized as one of the **Best Places to Work by GlobeSt in 2023.**

GlobeSt.



Berkadia Way

Berkadia Way, the cornerstone of our values-based culture, supports a mindset of shared commitment to self-accountability and helps employees see how their actions impact others.



Berkadia Way’s core concepts inform team norms, inspiring collaboration and consideration of diverse perspectives throughout our organization.

A Management Committee member or emeritus member co-facilitates all new-hire program training in the core principles of Berkadia Way. Additionally, our Berkadia Way team provides regular refresh sessions, implementation workshops, and other support resources, supporting employees efforts to apply these concepts to their work. At any given time, approximately 90% of our employees have completed Berkadia Way training.

In 2023 we expanded and enhanced our Berkadia Way implementation efforts. We utilized research-based and human-centered design approaches, expanded formal programming and offerings, and reinforced concepts at an organizational level. A key effort was our Mindset Boost initiative, which was focused on cultivating a collaborative culture across our global team. We also led a workshop for leaders to identify their professional aspirations and connect them back to our company values. These workshops resulted in a heightened sense of purpose and connection among attendees.

2023 Key Metrics¹

90% OF EMPLOYEES

Delivered the core Berkadia Way program to 90% of employees across the United States and India

1,082 REFRESH SESSION ATTENDEES

Delivered two Berkadia Way reinforcement campaigns, 1,082 attendees participated in refresh sessions

4.7/5.0 AVERAGE SATISFACTION RATING

4.7 average satisfaction rating with Berkadia Way experience

¹ As of December 31, 2023



“Knowing I’m surrounded by a company that sees me as a person, values my contributions, and is always there to offer a helping hand, has a sizable impact on my output and desire to contribute to the company’s success.”

Meghan Pellens
Director – Product Operations, Analytics

Benefits and Well-being

Compensation and benefits

At Berkadia, the health and well-being of our employees and their family members is of utmost importance. Our Total Rewards program provides employees with comprehensive benefits for their physical, mental, and emotional health; opportunities for professional and personal growth; and incentives to give back to their local communities. Our offerings are intentionally designed to meet the unique and diverse needs of our employees — both at home and at work — and are crafted with the whole person in mind.

Pay equity

We prioritize equity in opportunity and pay, and conduct an annual pay equity review. Through our 2023 analysis, we are proud to say that our pay practices have continued to remain equitable and that employees in the same position are paid fairly, irrespective of race, ethnicity, or gender.

2023 Benefit Highlights

Our team reviews offerings annually and looks to expand benefits where possible. During 2023, Berkadia expanded its inclusive benefits for the LGBTQ+ community, tuition reimbursement, and added hearing aid coverage. For families, we added bonding leave and expanded fertility coverage to include financial support and resources for family planning and in vitro fertilization (IVF).



Culture

Values-based culture with a focus on DEIB

ERGs including BeWIN, BePROUD+ and BeUNITED

Commitment to growing talent from within

Monthly paid volunteer hours

Donation matching

Philanthropic opportunities and activities



Wellness

Medical, dental and vision insurance plans

Pre-tax HSA and FSA accounts

Mental health care including free counseling sessions

Employee Assistance Program

Fertility and family planning support

Transgender-inclusive coverage



Growth & Development

Internal career advancement opportunities

Robust training and development opportunities

Employer-paid access to LinkedIn Learning

Tuition reimbursement

Commitment to funding learning journey



Personal

Generous PTO policy including paid and floating holidays

Competitive 401(k) match

Paid parental leave for birthing and non-birthing parents

Dependent care and commuter benefits

Legal assistance

Pet insurance discounts

Employee well-being

Work-life balance and mental health are a top priority for Berkadia. We offer employees access to counseling resources through the Employee Assistance Program (EAP), our healthcare provider network, and various internal offerings that promote mental well-being and provide support.

Berkadia conducts various events to help employees better understand and utilize the benefits offered to support well-being and mental health. In 2023, we adjusted our internal BeWell employee communication to feature key elements of our health plan, resulting in a 20% increase in webinar attendance. We hosted a webinar to raise awareness about the causes of hypertension and ways to reduce risk. For this webinar we brought in a registered dietitian to discuss the Dietary Approaches to Stop Hypertension (DASH) eating plan, which focuses on healthy, nutritious, foods to lower high blood pressure. Additional popular topics included work-life balance, mental health, and balanced eating.

Growing Mental Health Awareness

To strengthen our commitment to mental health awareness this year, the BeWell Committee expanded Berkadia's wellness awareness to span two months. The committee organized six webinars for U.S.-based employees to learn from mental health experts and become more familiar with available resources. Employee attendance rates increased 20% due to our extended engagement period and more focused content.

Learning and Development

Berkadia is committed to supporting the continuous professional and personal learning and development of our employees.

We set minimum training hours and require employees to maintain role-specific credentials to keep their knowledge and job skills current. Development experiences are built to address the key needs of our business while helping our employees excel in their current roles and develop toward future roles. These development experiences align with our mission and values and reinforce our Berkadia Way mindset.

Performance feedback

All U.S. employees have year-end development discussions and ongoing conversations to manage performance. Topics covered in these discussions include identifying the effectiveness of the employee within their current role as well as areas of future interest and growth.

Employees in the India offices undergo various talent reviews, depending on roles and responsibilities. Analysts have a monthly performance evaluation and are rated on two factors: quantifiable metrics and competencies. Our internal platform allows analysts and managers to review feedback. For employees at or above the team leader level, the performance evaluation is a two-day process. This process includes a discussion on performance, potential, retention risks, succession planning, and any areas of improvement.



Career journey of learning

Berkadia uses a growth plan approach to ensure that every employee is empowered to take responsibility for their own development and define their path forward. All employee development resources can be found on a centralized site that aggregates suggested learning paths, a class calendar, and toolkits focused on key skill development. Development begins on day one through our new-hire orientation, which involves a suite of required training to ensure that employees understand our Supplier Code of Conduct, information technology (IT), and security policies.

We partner with external organizations such as the Mortgage Bankers Association to ensure that employees have access to ongoing technical and industry development opportunities. Employees are encouraged to participate in our tuition reimbursement program to further their education.

Our learning management system

At the end of 2023, we transitioned to a new learning management system that provides a more integrated user experience and enhanced tracking data. Berkadia also offers LinkedIn Learning, an online education platform that teaches business communication, technology, and creative skills through expert-led course videos. During 2023, 2,149 (78% of employees) individual Berkadians logged in and viewed 17,808 hours of content offered through our content library. These hours represent 9k+ courses and 265,000+ video views.

2,149

employees logged in and viewed 17,808 hours of content offered through our content library

Leadership programs

We offer a variety of leadership programs globally. From peer learning groups to a manager training series, our employees can level up their skills across a variety of leadership categories. Some of our leadership programs are available to senior management-level employees globally such as the Managing With Impact Program (MWIP), while others are specific to our U.S. and India-based employees.

FOR EXAMPLE

Members of our India team have a wide range of leadership and development opportunities available:

- Leadership Acceleration Program (LEAP) - Senior Analysts
- Supervisor's Training and Education Program (STEP) - Team Leaders and Assistant Managers
- EDGE Method – Vice Presidents and Assistant Vice President

Leadership Programs Introduced in 2023

During 2023, Berkadia introduced several new programs and expanded existing programs, with a strong focus on leadership development.

ASSOCIATE DIRECTOR DEVELOPMENT PROGRAM

Helps analysts gain skills in sales and client relationships and transition into a producer role. The program provides participants with tools for building professional relationships, showcasing value to potential clients, pitching sales, and managing projects.

LEADING THE BERKADIA WAY

Helps managers build leadership skills through a comprehensive, immersive experience including self-reflection, partnership activities, and peer debriefs. This program started with a cohort of 25 senior vice presidents (SVPs) in 2023, and we plan to expand to other executive leaders in the future.

MANAGER ESSENTIALS

Helps new managers identify and develop good leadership skills. In 2023, 165 leaders attended one or more of the Manager Essentials sessions. We correspondingly launched the Leadership Resource Center for easy access to a repository of tools, templates, and guides for new and emerging leaders. In 2023, we had 1,751 unique users.



Diversity, Equity, Inclusion and Belonging

Our DEIB strategy, oversight and initiatives

The BELONG experience is governed by our Management Committee and includes multiple levels of oversight: a steering committee comprised of executive team members and senior leaders across all lines of business, and a senior vice president leading initiatives across the platform. The steering committee meets monthly to provide cross-functional leadership, direction, and guidance on all BELONG initiatives. We also have a talent support team, which includes domain experts with shared accountability for supporting various initiatives associated with our BELONG strategy.

In 2023, we continued to empower a strong network of more than 18 BELONG champions from across Berkadia who come from varying areas of the organization and share a passion for our BELONG journey. These champions play a key role in helping to ensure that our DEIB journey is authentic and relevant to Berkadia.

In alignment with Berkadia’s values and vision, our BELONG people strategy is a cornerstone of our values-based culture and reflects our commitment to infusing diversity, equity, and inclusion into our strategic priorities. Through our integrated BELONG efforts, we strive to create a community of belonging and ensure that our employees feel supported and empowered to bring their best selves to our shared endeavors.

Berkadia ONE Forum

In 2023, we launched Berkadia ONE, a forum to promote the interests of Black-led CRE firms and executives of color. Our inaugural event included industry-leading owners, operators, and developers, who engaged in conversation and strategic discussions regarding the needs of this underrepresented CRE community. As we continue these discussions and plan our next event, we look forward to supporting the business development needs of these firms and other diverse members of our industry.



Cultivating an inclusive environment and building awareness

We are continuously working to train our employees on DEIB-related topics and to foster mutual understanding and acceptance. Our efforts include delivering learning content, panel discussions, awareness campaigns and ERG initiatives, all intended to raise awareness, build community, and drive inclusive practices.

Employees are also required to complete Prevention of Sexual Harassment (POSH) and anti-discrimination training. These sessions are led by an employment law attorney, with offerings tailored to manager and nonmanager audiences.

We continued our Hiring for Success workshop, which was developed in 2022 by our Talent Acquisition and Learning and Development teams. The workshop enables managers to integrate inclusive sourcing, interviewing best practices, and unconscious bias mitigation into their hiring practices. To supplement this workshop, hiring managers are provided with a resource hub, including interview questions and guidance on inclusive practices, ensuring a consistent, fair, and equitable interview process for all candidates.

We believe in working with others in the CRE industry to share best practices to expand diversity and inclusivity in our talent composition and CRE business practices. We partner with our competitors to share diversity metrics and insights to drive change and benchmark success.

“Berkadia has accepted me for me and created a safe environment where I can bring my authentic self to work every day. I feel like Berkadia is a unique employer that allows individuals to flourish and bring their perspectives and personalities to the table every step of their career journey!”



Emma Petersen
Director, Talent Acquisition

Talent Acquisition

Since BELONG's inception in 2020, our recruitment efforts have resulted in greater workforce diversity. We put a strong focus on engaging emerging talent from diverse backgrounds and promote internships and related programs for individuals across a broad spectrum of experience.

As part of our standard recruiting practice, we prioritize identifying candidates with an array of backgrounds and experience. This includes leveraging various candidate sources that target talent from underrepresented demographics and communities and using inclusive language in job posts.

As Berkadia grows, the Talent Acquisition team continues researching and recommending additional organizations to consider for expanded partnerships. In 2023, we engaged a talent brand and recruitment marketing partner to help fill talent gaps (both from a demographic and skill standpoint), create more inclusive language in our content messaging, and elevate our presence at key diversity partner and recruitment events.



Building Partnerships to Attract Diverse Talent

Top talent is not one-size-fits-all and we aim to have greater accountability and heightened intentionality in our hiring practices. Our recruitment strategy is focused on casting a wide net for talent through brand promotion, relationship building, and inclusive sourcing.

- Berkadia is a member of the [Real Estate Executive Council](#), a trade association dedicated to increasing opportunities throughout the CRE industry for Black and Latinx professionals.
- Berkadia has been an active member of the [Global Corporate Real Estate and Facilities Careers](#) group, run by the Mortgage Bankers Association (MBA), since its inception. Berkadia is focused on attracting more diverse students to jobs and careers in CRE finance, particularly those from historically Black colleges and universities.
- Our partnership with the [Commercial Real Estate Women \(CREW\) Network](#) also continues to be a source of diverse talent and is one way we support diversifying gender within our industry. Every posted position is shared with the CREW community as an avenue for gaining more visibility and attracting more diverse talent to our company.
- [Project Destined](#) is also one of Berkadia's partners. The organization works to transform minority youth into owners and stakeholders in the communities in which they live, work and play. Berkadia helps mentor students interested in pursuing careers in CRE through internships and investment pitch competitions.
- [Ferguson Centers for Leadership Excellence \(CLE\)](#) is a program that works to empower diverse students to earn undergraduate degrees and pursue a career in the real estate industry. This partnership allows Berkadia to recruit from a growing pool of highly qualified and diverse candidates.
- Berkadia partners with [Technical.ly](#) to expand its digital presence and engage a wider audience of professionals through compelling and innovative methods. Technical.ly is a news organization that helps the technology sector and entrepreneurs get involved in their local communities.

Early talent recruitment

The Talent Acquisition team focuses on a campus-inclusive recruitment strategy, increasing our reach and promoting diverse candidates' access to and awareness of Berkadia job openings for entry-level and internship positions. This approach invites all students to consider opportunities at Berkadia and enables recruiters to focus on connecting with students possessing the skills necessary for success through third-party networking platforms rather than relying on traditional recruiting events like career fairs. To complement these efforts, Berkadia also connects with external student organizations.

We offer a career rotational analyst program for recent graduates to gain exposure to different business lines and acquire programmatic experience by working alongside various team members.

2023 By the Numbers: Talent Acquisition

NEW HIRES

157 total new hires

CAMPUS PROGRAMS

11% of hiring happens through campus totaling 16 new hires

INTERNAL MOBILITY

13% of hiring was internal career mobility totaling 20 employees

CAREER REENTRY

10 former employees were rehired



Internal development and mobility

Berkadia balances internal efforts to create a more inclusive hiring practice, starting at the most senior level of the organization. Berkadia's Management Committee has championed an initiative that pledges to post all available U.S. job vacancies internally, creating an equitable experience for internal candidates.

Berkadia also focuses on internal development and mobility, and we have an internal career marketplace to help employees become more aware of internal open positions. Talent acquisition partners (TAPs) collaborate with internal employees to understand their career aspirations and to suggest areas of Berkadia's business lines to explore.

In 2023, TAPs also hosted two internal career fairs, a podcast series, and group presentations to further highlight internal career opportunities. Internal candidates also receive feedback from both TAPs and hiring leaders when not selected for internal positions.

Our India locations implemented Bridge to Berkadia, a program that keeps track of former employees, and allows them to more easily apply to Berkadia again. The goal of the program is to bring back employees who were high performers in the past, and who align with Berkadia's values. In 2023, we rehired six employees through this program.

Internal Career Fair

The Talent Acquisition team hosted internal career fairs this year that included a general overview of our internal hiring process and how employees can find internal opportunities. These events are held so our employees can hear from hiring leaders within the company in a more intimate setting and discuss opportunities for growth.

Employment brand

During 2023, Berkadia refreshed our employment brand to create inclusive recruitment messaging. We built out our career site and social media presence and strategy to humanize our employment brand and attract top talent.

CORE MESSAGE

At Berkadia, our people are shaping the future of commercial real estate.
Be Part of the Next. Be Berkadia.

SUPPORTING MESSAGE

People Matter is a core value at Berkadia, and in a relationship business like CRE, we can only provide best-in-class service to our clients when our own people are taken care of first. Our private ownership structure with Berkshire Hathaway and Jefferies Financial Group allows us to make decisions for the benefit of our employees and clients, not shareholders. We're invested in our people and committed to doing things the right way.

MESSAGING PILLARS

Where Innovation Meets Excellence

A Culture Where You Belong

A Place Where People Matter

Where Careers Take the Long View

Measuring success

As our inclusive hiring efforts evolve, measuring our results is critical. The Talent Acquisition team partnered with the Human Resources analytics function to build a dashboard with key candidate metrics. Metrics include elements of personal demographic data and, when aggregated, provide a quarterly analysis on successes and opportunities to cultivate a more diverse slate of candidates.



Employee Engagement

Engagement surveys

Creating a feedback-rich culture is a key priority for Berkadia, spearheaded by the People Team for 2023 and beyond. We conduct an annual employee engagement survey to hear from our employees and measure the impact of our work in human capital. This year, we updated our engagement survey platform and finalized the cadence for our Glint survey and midyear pulse surveys.

The results of this year’s annual survey were positive, with all scores trending higher than the industry average. The survey had an 87% participation rate, our highest ever, and an 85% favorability score globally. We use the information from our engagement surveys to make decisions and implement changes to address areas of concern. Each year, we evaluate responses and comments, focusing on the main trends we see in the results. After identifying opportunities for improvement, we implement programs, monitor progress, and adjust as needed. For example, in response to a lower-than-anticipated score in 2023 around being “comfortable speaking my mind,” our People Team implemented a psychological safety and leadership training requirement for various business units to address this topic more directly. We also implemented other programs to foster employee collaboration and improve communication based on feedback from our engagement surveys.

According to participants, being, “part of continuous growth” was ranked as the top strength tied to the sentiment of “excited about Berkadia’s future.”

Employee engagement activities

Berkadia has expanded employee engagement in our India locations through WoLiBa, a cross-functional team of 10–15 volunteer employees who plan corporate events outside regular work hours. WoLiBa promotes work-life balance and is responsible for organizing employee engagement activities within four different areas: financial wellness, physical wellness, social wellness, and psychological wellness. During 2023, the team hosted events and festivals to improve employee well-being and offered resources in six different Indian languages for employees’ families. Recognizing that a healthy workforce is a productive one, WoLiBa also launched a Corporate Sports Committee to encourage employees to remain active.

Employee thought leadership

At Berkadia we cultivate thought leaders and encourage our employees to share their knowledge at various conferences and events. Berkadia’s ESG program lead and one of our Working Group members were selected to speak on various topics to share their knowledge on ESG and climate challenges.

Highlighting ESG in Ethics and Compliance

Berkadia is heavily involved in the CRE industry and participates in various committees and panels to share innovative ideas and best practices. We have members who participate on the Ethics & Compliance Initiative (ECI) Blue Ribbon Panel, which consists of renowned ethics and compliance practitioners, attorneys, officials and academics.

In 2023, Paul Zikmund, Senior Vice President, Chief Enterprise Risk, Compliance & Information Security Officer, participated as a speaker at the annual ECI IMPACT conference, where he shared the results of a new ESG survey directed by the ECI across its membership base.



Sharing Insights as a Leader in CRE

We participate in industry panels through the MBA and Commercial Real Estate Finance Council (CREFC) and in committees to discuss various insurance challenges. In May 2023, Berkadia joined the MBA’s CREF Climate Risk and ESG Roundtable to discuss the latest insights on the ways CRE finance firms are addressing ESG and climate risk.

The CREFC hosts an annual premier event where attendees can gain insights from industry leaders and professionals through education programs and networking opportunities. Laura Bushey, Vice President, Insurance Manager, was invited to share her insights on what CRE property owners should be doing in the face of increasing insurance costs and decreasing coverage availability to include engaging their agents to market renewal coverage far in advance of expiration, to work with lenders and servicers to identify the risks and mitigants of coverage limitations prior to binding coverage, and to employ transparency. The climate related property risks exist whether or not traditional insurance can be used to transfer the risk, and this must be addressed in a manner that does not put the collateral or the lender at additional risk that was not contemplated at the time the loan closed.



Employee resource groups

Our ERGs are an important part of creating a sense of belonging and fostering opportunities to learn about others' cultures and experiences. Our ERGs are voluntary, employee-led, and supported by the broader BELONG community, providing the necessary infrastructure and funding to drive impact across the organization.

Each ERG has a corporate sponsor that regularly attends ERG meetings and provides ERG leaders with financial support and strategy guidance. We have also continued to work on spreading awareness and diversifying outreach methods with our membership bases.



BeWIN (Berkadia Women's Internal Network ERG) was established in 2021 with the mission of developing and mentoring women and their allies across Berkadia to support career growth and advancement. This ERG's purpose is to facilitate the development and maturation of strong connections and

support women across the company while creating a safe place for women to grow in their CRE careers. In 2023, BeWIN hosted a book discussion and networking event to help foster community among participating employees.



BePROUD+ (Berkadia's LGBTQ+ ERG) was established in 2022 to foster and cultivate community, mentorship, professional development, and networking

opportunities among Berkadia's LGBTQ+ employees and allies. Its purpose is to address underrepresentation and identify and eliminate barriers for Berkadia's LGBTQ+ employees. During 2023, BePROUD+ successfully brought back its pronoun workshop due to popular demand.



BeUNITED (Berkadia's multicultural ERG) was established in 2022 to create a network focused on empowering, connecting, developing, and supporting employees regardless of race, ethnicity, or nationality, thus

resulting in a stronger, united workforce. This ERG is committed to honoring and celebrating cultures and embracing diversity of race, ethnicity, culture, and beyond.

In 2023, BeUNITED participated in its first virtual tour during Native American Heritage Month; building upon its mission to spread cultural awareness and promote diversity throughout Berkadia. Facilitated by leading educators in Native American studies and tribe members, the event aimed to educate members on the enduring nature of Native American culture through conversation and how to be more aware and respectful of Native peoples.



BELONG Awareness Week

In 2023, Berkadia hosted its first BELONG Awareness Week with the goal of encouraging employees to actively participate and contribute. During the week, our leadership made daily videos, hosted many panels and events, and raised awareness about the exciting opportunities via our ERGs.

Berkadia's Management Committee remains firmly supportive of BELONG, and encourages employees to get involved.

Berkadia's India team's Spectrum program encompasses four unique ERGs: Gender, Culture, People with Disabilities, (PwD), and Workforce. Each ERG has a committee, subcommittee, and volunteers to manage it. The ERGs provide education and promote the understanding and acceptance of people who are diverse.

Gender ERG: cultivates a workplace in which everyone feels welcomed and empowered to bring their whole selves to work by implementing a sustainable culture of gender equity in all aspects of hiring, employee conduct, business practices, acceptance of opinions, opportunities, and career growth.

Culture ERG: fosters a diverse and inclusive workplace where people matter and creates an ecosystem open to and respectful of different viewpoints, beliefs, ideas, cultures, and backgrounds.

People with Disabilities (PwD) ERG: raises awareness of workplace issues affecting people with disabilities and discusses ways Berkadia can better support disabled employees through initiatives that work to eliminate conscious and unconscious biases.

Workforce ERG: attracts and hires the best people from a diverse talent pool, collaborates with other ERGs for hiring needs, and focuses on market intelligence and research in terms of:

- Identifying and enlisting agencies to support diverse and inclusive hiring
- Positioning Berkadia as an employer of choice for a diverse talent pool
- Driving inclusion and a sense of belonging during the onboarding process
- Editing job descriptions, the employee handbook, and application forms to make them more inclusive
- Analyzing the current gender ratio across the organization versus by department and arriving at workforce diversity metrics

ERG Spotlight: PwD Building Awareness of Disabilities

In 2023, the PwD ERG organized an Immersive Sensitization training and Disability 101 training attended by 103 leaders in India to promote understanding and to clear misconceptions related to disabilities. The PwD ERG is also working to make our office infrastructure more accessible.



Giving Back to Our Communities

At Berkadia, we stand by our core value that “People Matter.” We promote employee volunteerism and charitable giving to address various social issues and meet community needs.

By partnering with local organizations and implementing our own initiatives, our employees enable progress in communities worldwide by enhancing people’s lives and circumstances.

Philanthropic mission

We believe that healthy, self-sustaining communities arise when every individual has the essentials to live, the opportunity to learn, and the chance to serve.

Oversight and strategic goals

Berkadia’s community engagement and philanthropy efforts are developed and implemented by our Community Initiatives Team and overseen by an executive sponsor from the Management Committee. Our program goals include the following:

- To overcome the cycle of poverty and dependence by partnering with nonprofit organizations that help provide food, clothing and shelter
- To develop educational opportunities through programs aimed at helping underserved children thrive
- To promote a corporate culture of volunteerism and social responsibility that underscores each employee’s role in responding to needs within our communities
- To assist nonprofits in transforming their reach and impact by sharing our best-in-class technologies, strategies and services



BeGiving at Berkadia

Berkadia’s corporate philanthropy program, BeGiving, consists of four methods of giving:

HOW WE GIVE	DESCRIPTION
Charitable Sponsorships	Berkadia has funding available for corporate donations to eligible 501(c)(3) organizations dedicated to strengthening our communities.
Gift of Time	The Gift of Time program offers employees up to eight hours per month during regular business hours to provide service to a range of eligible 501(c)(3) organizations dedicated to strengthening our communities.
Grants Initiated by Volunteer Service (GIVES)	When an employee volunteers their valuable time in support of an eligible 501(c)(3) organization, Berkadia GIVES awards a bonus check to the organization. The result is that the organization benefits twice — first through the contribution of an employee’s time and again through a financial contribution from Berkadia in the employee’s name. Employees are eligible for a \$900 contribution on an annual basis to reward 30+ hours of service.
Matching Gift	Through the Matching Gift program, Berkadia provides a dollar-for-dollar match of contributions that employees make personally to eligible 501(c)(3) organizations, effectively allowing employees to double their contributions on an annual basis up to \$2,000 per employee.

Our community partners

Berkadia takes our mission to heart, and we are intentional about establishing partnerships and supporting organizations focused on creating healthy, self-sustaining communities. In 2023, we supported gift matching and volunteering for over 200 organizations. Some highlights are provided below:



Boys & Girls Club of Greater Washington’s mission is the help boys and girls of all backgrounds, especially those who need us most, build confidence, develop character and acquire the skills needed to become productive, civic-minded, responsible adults.



Over the Rainbow aims to build an America where persons with disabilities can live independently in an accessible, affordable apartment.



The Ferguson CLE program empowers students from diverse racial, ethnic, and gender identities to pursue undergraduate degrees and build successful careers in real estate and related sectors. Berkadia supports this organization financially and has a Management Committee member serving on the Advisory Board.



Integrate for Good rightly considers disabilities a treasured form of diversity and fosters inclusive volunteerism, community leadership, and competitive employment opportunities for people of all abilities.

During 2023, Integrate for Good hosted a Berkadia team-building event called the Sleeping Mat Project, during which our employees made sleeping mats out of recycled plastic bags for unhoused individuals. Several employees regularly volunteer with the nonprofit, including one who serves as a board member.



The Rett Syndrome Research Trust (RSRT) is dedicated to advancing scientific research to find therapies and ultimately a cure for Rett syndrome, a rare genetic neurological disorder.

Berkadia returned as a presenting sponsor of the annual Miracle for Molly fundraiser in honor of our employee’s daughter, Molly, who was diagnosed with Rett Syndrome in 2015. The 2023 charity event welcomed over 250 guests and raised over \$125,000 bringing the total to date to over \$725,000. Between corporate and employee donations combined, Berkadia donates over \$30,000 annually. All funds go directly to support RSRT’s research.



“Berkadia is like a family to the Foleys, and everyone is fighting for Molly!”

Greg Foley
Director, Technical Program Management



Goodwill Industries empowers individuals with disabilities and other barriers to employment to gain independence through the power of work. A Management Committee member serves as a Board member.



City Year is a nonprofit organization aimed at improving high school graduation rates by recruiting and deploying AmeriCorps members to underserved schools. The AmeriCorps members are 18-to-25-year-olds who work directly with the students to provide, mentoring, tutoring and after school programming. Fifty percent of City Year’s funding comes from AmeriCorps, which is a federally funded network of national service programs that engages Americans in service to meet critical needs, including education.

Berkadia has sponsored the organization monetarily and has volunteered in City Year schools. We also support AmeriCorps members with various educational workshops to strengthen their career skills and knowledge.

Berkadia gives charitable donations to other organizations, such as the National Kidney Foundation, the American Red Cross, Ronald McDonald House, and Habitat for Humanity to name a few. We also make regular contributions to organizations important to our employees, thus raising awareness of a variety of social issues.



Through the Berkadia Foundation and thanks to our Hyderabad teammates, we were able to fund the new building for Disha-CHORD, a multistory school with 18 classrooms that can accommodate 500 students. Our team actively volunteers at the school on an annual basis — not only on weekdays but also on weekends — and is nearing 1,050 hours of service. Berkadia's support of Disha-CHORD is promoting first-generation literacy and enabling students to secure future employment opportunities not otherwise available to them. The building was fully completed and operational in April 2023, and the first school year in the new school started in June 2023.

- 60+ employees volunteered at the school during 2023 for teaching Mathematics, Science, Spoken English, English Grammar, Moral Stories and Motivational sessions.
- There have been workshops conducted such as Career Path guidance, quizzes, Emotional Intelligence for Teens, Dance, and Karate.
- Once a year, each business unit does Vertical Engagement and volunteers from the group conduct knowledge sharing activities on recent trends in soft skills, Science, and Technology.
- Berkadia Celebrates national days for example Republic Day, Independence Day, Children's Day, International Girl Child Day along with Children at school premises.

Child Welfare and Holistic Organization for Rural Development

In an effort to expand our commitment to early education, Berkadia launched a partnership with the Child Welfare and Holistic Organization for Rural Development (CHORD) — a nongovernmental organization (NGO) in Hyderabad, India — and started supporting a local school named Disha, which educates an underprivileged population.

What began in a leased building educating approximately 80 students has grown to include a new building, technology, and furniture with a current student population of 227.



Operating Responsibly

Compliance and ethics are embedded in our mission. Our integrity in adhering to a high standard of conduct is foundational to our long-term success. We are committed to well-founded corporate governance, ethical business practices, and thinking long-term to earn the trust of our stakeholders.



Corporate Governance and Business Ethics

Code of Conduct

Berkadia recognizes the importance of conducting its business in full compliance with all applicable laws and regulations and has adopted policies and procedures that extend its ethical business practices across its operations. Each employee is bound by the Berkadia and Jefferies Codes of Conduct. Everyone must review and certify these policies annually. The Berkadia policy was reviewed and revised in 2023. Our Code of Conduct covers topics such as:

- Prohibiting falsification of records
- Appropriate use of company property, both physical and intellectual
- Expectation of safety within the workplace
- Prohibiting substance abuse within the workplace
- Criminal acts

Berkadia also offers ethics and compliance training and various other programs to increase awareness, provide guidance, and establish expectations for employee conduct. To emphasize the importance of ethics and compliance, in 2023, we enhanced and increased the frequency of this training.

Whistleblower policy

Berkadia’s Whistleblower Policy includes procedures for receiving and investigating complaints and provides protection for whistleblowers. In December 2023, we onboarded a new whistleblower hotline tool to improve our reporting process.

Berkadia’s third-party whistleblower hotline, CONCERNLine, is available 24/7 and allows employees to report concerns, including suspected violations of the Code of Conduct. Complaints can be filed anonymously through a web portal, phone number, or text message. Once a complaint is filed, the concern is escalated to the appropriate team such as Human Resources, Legal, or Compliance. Berkadia investigates all complaints, documents the findings, and closes cases after remedial actions are taken. Per our Code of Conduct, retaliation against whistleblowers is prohibited.

Audit and compliance

Berkadia’s Internal Audit team is led by the VP of Internal Audit who reports administratively to the SVP Chief Risk, Compliance and Information Security Officer while retaining independence by maintaining a direct line of communication with the organization’s Audit Committee of the Board of Directors. We differentiate ourselves by having specialized auditors for business process and IT. By building relationships with stakeholders, we build trust across the company to provide guidance and strengthen controls.



All audits conducted follow the requirements set forth by The Institute of Internal Auditors (IIA). We utilize risk assessment results to determine potential high-risk areas where audits should be performed. The risk-based approach and the thorough scoping and follow through from action plans allows our Internal Audit team to ensure the correct controls are in place to mitigate future risks.

Risk Management

The ability to effectively identify and manage risk impacting the achievement of strategic goals and objectives is critical to the long-term success of Berkadia. As such, we have implemented a comprehensive method of identifying, tracking, mitigating, and reporting potential risks in a rapidly evolving regulatory and competitive business environment.

Credit risk management

Berkadia actively monitors evolving and potential risks across several interrelated dimensions by deploying a methodical and comprehensive approach. First, our Servicing department assigns loans to a watchlist based on a series of defined triggers. These loans are then subjectively reviewed by our Loan Surveillance team, which performs a detailed credit review that often includes active engagement with borrowers. Second, Berkadia employs not only the required Current Expected Credit Losses-compliant loss estimates but also a long-term scenario analysis to estimate a range of potential losses across economic environments. These estimates use models grounded in proprietary research and informed by our Loan Surveillance team's detailed knowledge. Third, current and projected performance metrics are stratified across several dimensions — including sponsor, property type, geography and rate type — to evaluate concentrations and relative performance. Fourth, results of these analyses are packaged to create a feedback loop for those involved in the origination process.

In the event of a loan default, our Special Servicing team works to maximize recovery.



Enterprise risk management

Our Enterprise Risk Management (ERM) Program, which utilizes the Committee of Sponsoring Organizations (COSO) framework, provides a repeatable process that can be implemented across Berkadia to continually monitor and identify areas of risk and opportunity. Berkadia maintains an ERM Policy to provide formal guidance. The Management Committee and the Risk, Controls, and Compliance (RCC) team oversee our ERM Program. The RCC team works closely with leadership from the lines of business to examine trends and emerging risks and controls, identify risks, and stay current on elevated risks that could impact Berkadia.

The risk management framework is regularly reviewed for its effectiveness in determining areas requiring heightened monitoring and mitigation and is frequently reevaluated to reflect key changes in policies, functions, and industry best practices for risk management. We publish annual and quarterly risk reports, dashboards, and metrics to highlight the effectiveness of our risk mitigation strategies with a newly improved tool introduced in 2023 that facilitates the important requirements of tracking and reporting ERM metrics. As a result, the ERM team enhanced the information provided at quarterly business review meetings with a more comprehensive assessment.

In addition, throughout 2023, we have continued to expand the risk register to incorporate additional factors within our business lines, such as properties and areas with social and environmental impacts.

Launching New Risk Management Employee Training

Recognizing that risk management is critical to our business model, Berkadia launched a new requirement in 2023 for all employees to participate in ERM training. Employees are educated on their roles and responsibilities, risk categories and monitoring capabilities, and the overall ERM process at Berkadia.

Risk Champion Program

The Risk Champion Program aims to support an effective ERM structure by communicating and integrating the ERM program at all levels. Risk Champions are employees who have not worked in a risk management capacity but are responsible for supporting their own department with developing and reporting risks. They are considered an extension to the core risk management function, and they are empowered to communicate risk information and influence risk culture and behaviors. In 2023, 14 employees obtained their certification by attending monthly half-day sessions over the course of six months. These sessions included guest speakers and relevant content related to each monthly topic.



Crisis Management Plan

Berkadia faces a variety of risks, including those with the potential to become crisis situations such as natural disasters and serious climate events, biological risks, accidents, and workplace violence. These situations may occur suddenly, creating a circumstance in which normal business operations and support services are disrupted or overwhelmed. It is our responsibility to prepare for situations or events that could jeopardize the company's business operations, brand, reputation, employees, financial results, or relations with shareholders, customers, suppliers, and other stakeholders.

Our Crisis Management Plan (CMP) provides guidance on how Berkadia should prepare for, react to, and remediate a crisis, which includes mobilizing the Berkadia Crisis Management Team (BCMT). The BCMT is composed of members of our Management Committee, and a designated Management Committee member serves as BCMT chair with the overall responsibility for crisis management. The CMP also provides ways to lessen the impact of a crisis, protect employees, preserve operations and productivity, and safeguard our reputation.

Crisis communications

As a joint effort between several teams at Berkadia, we onboarded a new emergency response system during early 2024 to address natural disasters such as hurricanes. The updated system alerts employees to any emergencies and keeps people protected.

Crisis communications is a vital part of our crisis management process, it provides timely, accurate information to all of our stakeholders and the media during any local, regional, or global crisis. Our crisis communications protocol includes taking all reasonable and appropriate steps necessary to ensure that we effectively communicate to all stakeholders during an event affecting our business, reputation, people, or the tangible and intangible resources used to execute key business processes.



Employee Workplace Safety Training

Each of our 90+ offices reside in a leased location, and we abide by rules established by building management. At our administrative headquarters in Ambler, PA, the building's property management team conducts an annual fire drill. Other drills are conducted by building management in various locations. Additionally, we conducted our second year of live workplace safety training for employees. This training was conducted by our Chief Risk, Compliance, and Information Security Officer. We also manage a physical security program designed to mitigate risk and ensure protection of personnel, hardware, software, networks and data from physical actions and events that could cause serious loss or damage to Berkadia.

In India, all employees participate in fire safety drills twice a year. The India team has also created an Emergency Response team in case of crisis. This team of volunteers received training in CPR and the specific actions to take during emergencies.

We train employees to aid in effective response using tabletop and simulation exercises. In our tabletop exercises, executive leadership and department heads meet in an informal setting to discuss their roles and responsibilities during a crisis. Berkadia's Chief Risk Officer also facilitates periodic training for all employees to raise awareness, increase knowledge, and elevate response capabilities.

Business continuity and disaster recovery

Berkadia's Business Continuity Plan (BCP) prepares the company in the event of extended service outages caused by factors beyond its control and provides guidance to help restore essential services to the widest extent possible in a minimum amount of time. All Berkadia sites are expected to implement preventive measures whenever possible to minimize network failure and recover as rapidly as possible when a failure does occur. The BCP supports our continuity of business operations and protection of critical operations, assets, and personnel so that we can continue to function when faced with a major disruptive event. To support control effectiveness, we perform annual enterprise-wide disaster-recovery testing, which includes testing of our on-premises and cloud-based solutions.

Supplier Management

Berkadia expects our suppliers to act in accordance with the highest standards of professionalism, ethical conduct, and legal compliance.

Berkadia adopted a Supplier Code of Conduct in 2022 to provide formal guidelines and compliance requirements to our suppliers. In 2023, we expanded the scope of the Supplier Code of Conduct to include new topics such as business ethics, compliance with laws and regulations, labor practices, sustainability, and information security. We also added details on conflicts of interest, anti-bribery, and anti-corruption.

New suppliers are required to acknowledge our Supplier Code of Conduct, and a population of existing vendors undergo an annual vendor review process. A supplier's failure to comply with our Supplier Code of Conduct may result in termination of the business relationship.

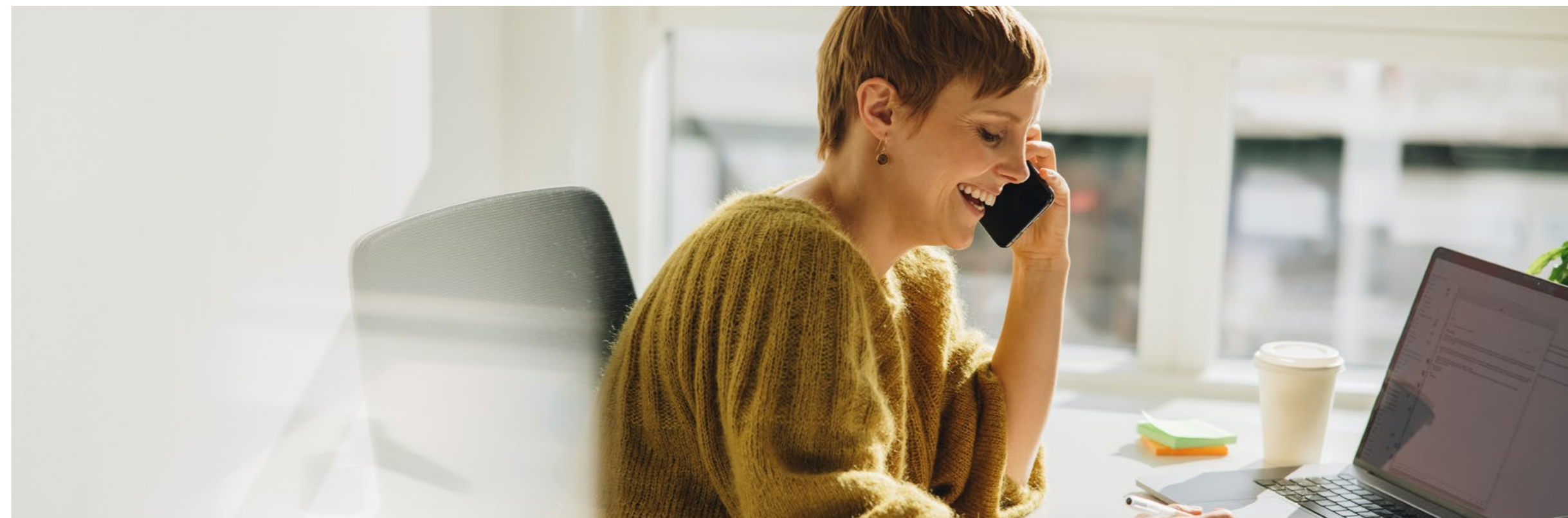
Our suppliers' concerns are important to us, and they have access to our CONCERNLine to report possible violations of Berkadia's Code of Conduct, company policies, laws, or regulatory requirements.

Our supplier's commitment to ESG is also important to us. We added 11 questions to our annual questionnaire on various ESG topics to understand their ESG landscape and track the efforts they are making to be more socially responsible and environmentally conscious.

Third-Party Risk Management Program

Our Third-Party Risk Management Program provides guidelines and practices for how organizations assess, monitor, remediate, and report on the risk posed by Berkadia's third parties. We make every effort to ensure that all third-party organizations are compliant with our standards, external regulations, and guidelines governing business operations. We also seek to ensure that third parties do not compromise the integrity, security, and privacy of Berkadia's or our customers' data.

In 2023, we implemented a new risk management platform to track and manage our supplier and vendor relationships, automate vendor outreach and the internal review process, calculate risk assessment scores, and streamline the vendor onboarding process. The platform also serves as the central repository to store and manage third-party documents.



Data Security and Responsibility

Oversight and policies

Berkadia’s Information Security Program is managed by the Chief Information Security Officer and Vice President of Information Security and is composed of several teams:

Information Security Engineering

Information Security Engineering promotes the protection and ensures the confidentiality, integrity, availability, accountability, and auditability of Berkadia’s information assets.

Security Operations Center

The Security Operations Center (SOC) continuously monitors and improves Berkadia’s security posture while preventing, detecting, analyzing and responding to cybersecurity incidents and threats.

Application Security

Application Security identifies, prioritizes, protects and monitors Berkadia’s applications against security vulnerabilities during all stages of the secure development life cycle.

Cyber Risk Management

Cyber Risk Management identifies, evaluates and improves awareness of risk through continuous education, participation, analysis and communication.

Data Privacy

Data Privacy safeguards sensitive information, maintains compliance with regulations, and fosters trust with our stakeholders.

Berkadia’s Cybersecurity Governance Committee has representation across all business units. The Chief Information Security Officer meets regularly with the committee to collaboratively make decisions on cyber-related issues.

Defense in Depth

We use a Defense in Depth strategy, which includes layering policies and controls throughout our systems to protect the confidentiality, integrity and availability of our networks and data.



Promoting awareness and education

We invest in ongoing educational programs designed to train employees on cybersecurity threat avoidance. In 2023, Berkadia achieved an average of 97% completion on data security and privacy training for all employees with the continuous goal of 100% completion.

Our policy requires employees to complete annual information security awareness and anti-fraud training. This year, we implemented training programs for our Mortgage Banking, Credit, Underwriting and Analyst teams. Our anti-fraud programs and controls have also seen an increase in awareness and support. We provide additional training throughout the year based on elevated threat levels and specific topics that require greater employee attention. Phishing simulations are routinely sent to all of our users to raise awareness, educate, and minimize risk. Due to a heightened information security environment, we further strengthened our email security for employees.

Because cybersecurity is so important to Berkadia, we have team channels that are continuously posting and alerting people of tips and tricks to increase security. Our holistic approach goes beyond simply protecting our employees at work and extends to protecting them as well as their family members in their personal lives. Our “Ask Security” channel allows people to reach out and ask questions or give suggestions related to cybersecurity.

Protecting data and privacy

Cybersecurity and privacy are ingrained in our culture. We take a proactive approach to data protection and cybersecurity management by following industry-leading frameworks.

We conduct our own reviews to benchmark our current state against the U.S. NIST Cybersecurity Framework. Internally, we track the maturity levels of our program elements and publish a final report of recommended changes that is monitored throughout the year. Berkadia’s Internal Audit team conducts audits of the Information Security Program and continuously identifies opportunities for improvement.

Berkadia’s Privacy Policy outlines what personal information is obtained through our websites, how the information is used, and user rights and choices. We follow appropriate data security procedures and practices to protect users’ personal information from unauthorized access, use or disclosure. Please see our full [Privacy Policy](#) for more information.



“One of our greatest risk exposures is in the area that each of us share; cybersecurity. Mitigating that risk is a responsibility each of us shares.

While I am grateful for our progress in this area, it must continue to be an area of focus and improvement in 2024 and beyond!”



Justin Wheeler
Chief Executive Officer

Promoting Cybersecurity Awareness Month

During Cybersecurity Awareness Month in October, we dedicate the entire month to cybersecurity education. Although our employees are already engaging in regular security training and simulations, we use October as an additional training and engagement opportunity. Cybersecurity month is celebrated globally with participation and events held at all of our U.S. and India locations.

Forbes Magazine Names Berkadia One of Top 200 Most Cyber-Secure Companies

Berkadia was recognized by Forbes in the top 200 most cyber-secure companies in 2023. Forbes looks at a variety of factors to make its list, including network security, regularity of patches, potential malware exploits, and cybersecurity robustness.

Incorporating Sustainability into Our Products and Services

We believe that there is strong alignment between our financially sustainable business model and our corporate mission to deliver a positive impact on society and the environment. Our financial strength is optimized through a disciplined process that integrates ESG principles with positive societal impact and environmental stewardship with long-term value creation.



Supporting Affordable Housing

As a leader in affordable housing, we are committed to creating lasting, positive impact in our communities. Berkadia Affordable Housing brings a balance of drive, versatility, and focus to guide clients to successfully finance affordable communities across the country. Our integrated platform offers mortgage banking, investment sales, tax credit syndication, and advisory services.



“Berkadia’s Affordable and Workforce Housing expertise truly is the best-in-class, and we’re thrilled to partner with the GSE’s and our partners to combat the growing housing crisis together.”

David Leopold
Senior Vice President and Head of Affordable Housing

Our Success Story

#1

In 2023, Berkadia was ranked the #1 GSE and HUD Affordable Housing lender nationwide.

Safe and affordable housing often acts as a powerful catalyst in the transformation of communities. Berkadia’s industry-leading technical expertise helps developers, investors, and operators navigate the complexities of the housing industry.

Mortgage Banking

Our mortgage banking services provide agency and conventional loan options as well as balance sheet bridge loans for commercial multifamily properties.

In 2023, Berkadia’s Affordable Housing platform financed \$3.5 billion of affordable housing and was ranked the #1 GSE and HUD Affordable Housing lender. Berkadia’s mission-driven multifamily housing business was 73% of our total loan volume with Freddie Mac and 78% with Fannie Mae in 2023. Berkadia provides our clients with the best capital available so that they can grow their business and create housing opportunities in communities that need it most. Berkadia has been at the forefront of the creation and implementation of financing programs with our GSE partners and have facilitated programmatic considerations for minority-owned multifamily housing providers seeking financing solutions.

In 2023, Berkadia participated in Fannie Mae’s new program, Sponsor-Dedicated Workforce (SDW) Housing, which offers better pricing and more flexible underwriting to encourage the construction and preservation of affordable housing units. This program can also be combined with Fannie Mae Green Financing to incentivize both socially and environmentally beneficial housing.

In addition, Berkadia partnered with Fannie Mae Multifamily and Freddie Mac Multifamily to strengthen the financial health and credit-building of renters through their new Positive Rent Payment program that tracks and reports residential rental payments. Since launching in September 2022, the program has encouraged renters to pay rent on time, thus benefiting borrowers through more stable collections, lower turnover, and enhanced marketability. The pilot program was extended due to its success and positive impact. Berkadia is Fannie Mae’s #1 Positive Rent Payment partner, with 320 properties totaling 84,283 units.

Project Highlights

**52 at Park
Orlando, FL**



Investment Sales

Since 2021, Berkadia Affordable Housing has been involved in the sale of more than \$3 billion of affordable apartment homes across the country. With a network of strong investor relationships and a focus on transparency, competitive pricing, and long-term value creation, we are committed to providing financial solutions for affordable housing.

Berkadia Affordable Housing's investment sales business provides disposition and valuation services to investors and developers, and its integrated platform provides buy-side advisory services.

Tax Credit Syndication

Berkadia Affordable Housing's tax credit syndication business provides tax credit equity solutions for nonprofit and for-profit developers. We support affordable housing with our Low-Income Housing Tax Credit (LIHTC) equity and fund and asset management services. Furthermore, we provide proprietary and multifund investment structures.

We have guided the financing and syndication of more than 10,700 affordable apartment homes across the country, representing over \$2 billion in tax credit equity since inception.



Partnering to Enhance People's Lives and Environments

In early 2023, Berkadia announced its alliance with London-based global property consultancy, Knight Frank. Through this partnership, we aim to apply our collective expertise to make a positive impact on global property industry challenges including climate change, limited natural resources, and social inequality.

Multifamily Impact Council (MIC)

Berkadia partners with the MIC, a collaborative nonprofit bringing standards and guidelines to the multifamily impact investing industry. We are a founding member of the council and continue to serve on its steering committee to influence initiatives in the industry. MIC's membership has grown to 55 organizations.

In 2023, MIC released its Multifamily Impact Framework™, setting an industry standard for impact investing. The framework was downloaded by more than 450 organizations during the year and adopted by 15 organizations.

Empowering Responsible Investment

Lending practices

Investing in affordable housing is an investment in our communities and their livelihoods. Implementing ESG practices in CRE financing is critical to developing lasting and diverse communities and leads to better results for all stakeholders.

We are dedicated to transforming communities for the better. Nearly half of all residents living in rental housing in the U.S. are considered cost burdened, meaning they spend more than 30% of their income on housing. Providing cost-burdened households with affordable housing is the first step to addressing income inequalities head on. Not only does investing in affordable housing provide residents with safe homes and improve their living conditions, but it jump-starts the social stability that will impact future generations. Home is the intersection of family, health, and education, and it is the foundation of a thriving, stable community.

Each of our business lines empowers our clients to invest responsibly, with positive impacts both environmentally and socially. Berkadia provides loans to finance energy- and water-efficiency improvements through Federal Housing Finance Agency (FHFA) mission-driven and multifamily loans via Fannie Mae's Green Rewards and Freddie Mac's Green Up and Green Up Plus programs. We are currently ranked #2 Fannie Mae green financing lender. To qualify for mission-driven classification, certain affordability and consumption requirements help ensure that utility savings from green renovations are passed on to tenants, who benefit the most.

Avoiding discriminatory lending

At Berkadia, we ensure that loans are provided to a diverse pool of candidates without redlining or discriminating against specific groups. Berkadia serves the housing credit needs in neighborhoods and communities across the country. These efforts are a part of our broader compliance and customer welfare program. Both Fannie Mae and Freddie Mac are working to comply with FHFA requirements, and Fannie Mae hired a third party to audit Berkadia's borrowers' requests for Fannie Mae debt Quotes. We also do Home Mortgage Disclosure Act (HMDA) reporting, which records data on borrower and property location, and HMDA verifies that we are not redlining. Furthermore, Berkadia underwrites fairly and uses market value for assets without artificially changing underwriting to influence sales.

Fraud protection

In today's market, fraud has increasingly become a concern. Berkadia has implemented systems and checks to monitor and respond to fraud and continues to bolster protections. We assess potential fraud risk from our clients and follow processes to address areas of concern.



Green Financing

Green financing incentivizes projects that benefit the environment. Berkadia provides green financing options through Commercial Property Assessed Clean Energy (C-PACE) to give our clients additional options that are a win-win for them and the environment.

C-PACE is a project financing tool for clean energy and energy efficiency improvements. The program covers the cost and installation expenses of new equipment as well as the cost to remove and dispose of old equipment. C-PACE provides a direct and immediate advantage for our clients with nonrecourse, long-term, transferable loans. As a nonrecourse loan, it also benefits Berkadia’s Fannie Mae and Freddie Mac programs.

We help our clients understand energy efficiency, equipment use, and the facility and materials being used to upgrade and develop projects. By considering C-PACE for our clients early on, we can make recommendations on how to improve the project as soon as possible and ultimately help them get cheaper financing. C-PACE pushes clients to be much more aware of the materials and equipment they use, resulting in a more effective capital cost while furthering ESG. We closed five C-PACE loans in 2023.

The Breakers Hotel

The Breakers is a timeless feature of the Long Beach skyline, an irresistible, historic landmark with a character and soul that cannot be replaced. Once the most sought-after destination in Southern California for celebrities and dignitaries, the hotel had fallen into relative obscurity. Now the nearly 100-year-old building is being fully restored as an emblematic symbol of former glory, while being able to meet the demands of an exciting future.

Berkadia helped the Breakers Hotel project obtain capital through a C-PACE loan, funding the restoration of an iconic and historic building that is also sustainable and beneficial to the environment.



Investing in sustainable innovation

Launched in 2019, BeEngaged brings together startups that are destined to redefine the CRE space with industry players (including corporate partners, capital providers, and Berkadia) committed to innovation and strong values. BeEngaged brings awareness and understanding of disruptive innovation happening in our industry; provides a platform to identify, vet and engage opportunistically and proactively, and supports relationship-building with our partners. The program ties directly into Berkadia’s vision of redefining the industry with long-term investments in people and technology that deliver actionable insights and create the best customer experience. BeEngaged is a function of Corporate Development.

BeEngaged supports startups with pilots, helps develop innovative ideas and technologies, and hosts networking events to mentor and incubate startups. Participants of BeEngaged go through three stages in our program:

Be **ENGAGED**
Network Participant



Be **ENGAGED**
Verified Network Participant



Be **ENGAGED**
Lab Participant

“We see the BeEngaged program as a channel to engage with and accelerate early technology companies to move the CRE industry forward together with our partners. The program, powered by Berkadia, provides resources, mentorship and guidance to entrepreneurs while simultaneously identifying solutions for Berkadia’s long-term business strategy and the ecosystem of clients and partners around us.”



Bryce Nyberg
Director, Corporate Development

Our early-stage approach advances sustainable and beneficial innovation as highlighted below:

BeEngaged Startups



WYL is a platform for home providers and renters to read and write reviews, making renting more transparent for both tenants and owners and driving consistent positive standards for living. For Home providers, data can be gathered across several core metrics to analyze patterns, and create a resident confidence index. The platform also allows for a comprehensive reputation management with integrations to property management software. WYL is redefining the industry with its new standard metric, the WYL score. It provides enhanced insights into the performance of property managers and the needs and wants of renters, which can be leveraged in Berkadia’s decision-making.



Stake is on a mission to empower wealthier, happier and more resilient renters. The app allows renters to earn cash back for spending, banking, and — most importantly — paying rent. Berkadia’s partnership with Stake is an opportunity to create change in the industry and help build a better customer experience for renters. Stake’s innovative app results in an ESG effect of “banking” renters for the first time, which has also had positive recognition from GSEs.



Esusu reports rent payments to major bureaus, which helps owners and property managers maximize returns while boosting renters’ credit scores. Esusu has been a leading participant in Fannie Mae’s Positive Rent Payment pilot, which was so successful that it was extended.



Rabbit accelerates the construction finance process by using intelligent financial management software to eliminate inefficiencies, reduce errors, and scale projects. Rabbit provides Berkadia, and others that use the platform, greater capacity for construction loan management that can be directed to the creation of additional housing options in the U.S.



[Esusu Highlight Video](#)

Climate Risks and Opportunities

For our loan-servicing business, we manage climate risks by ensuring that properties are adequately covered by insurance and work with our insurance group to verify compliance with industry standards.

Berkadia is a leader when it comes to climate risk and insurance. We stay updated on how climate change affects market constraints and how to properly respond. Climate change has pushed commercial insurance programs to become more complex, and we are seeing more layered participation and carriers. We help borrowers continue to provide affordable housing while mitigating the limited availability and increased cost of insurance. Our analysis uses risk-modeling tools to inform our recommendations and decisions.

Berkadia works closely with the MBA to stay close to industry trends on coverage limitations and participates in discussions about the industry and changes in requirements. Since Berkadia plays a major role in the CRE industry and has an extensive servicing portfolio, we have a broad range of insights that we can provide across the industry. We will continue to engage in these conversations, share our observations, and face challenges together.



Caring for the Environment

Environmental sustainability is an important part of Berkadia's corporate operations. We are dedicated to improving our corporate sustainability initiatives and reducing our carbon footprint.



Facilities Management

Waste reduction

Berkadia offices have recycling and e-waste initiatives to reduce our waste output. Not only do we divert waste from landfills, but we also work to reduce it at the source. We direct employees to utilize our paperless workflow as much as possible and encourage double-sided printing. Our Ambler, PA, office used 45 boxes of paper in 2023, which is a slight decrease from the previous year. In addition, we have transitioned to electronic signatures, where possible, to decrease paper usage while increasing security. We compost in locations where infrastructure allows.

Energy use

Berkadia has more than 65 offices located across the U.S. and India, seven of which are newly leased locations. All our office buildings are leased, and several have existing energy conservation and efficiency efforts in place, such as LED lighting and sensors that automatically conserve energy. Several of our locations utilize third-party data centers to power operations, which allows us to leverage economies of scale to improve energy efficiency and reduce greenhouse gas emissions. We have started transitioning the majority of our data center needs to cloud platforms and aim to complete the transition in 2024.

In our India office, we introduced six electric vehicles into our fleet of 80 cars that transports our employees to and from the office. This is not only an environmental benefit for the office but also a safety benefit for our employees.



Our Carbon Assessment

Greenhouse gas assessment

As part of an effort to report on our ESG-related impacts and further develop our ESG program, Berkadia conducted its second carbon assessment, covering 2023 operations. This greenhouse gas (GHG) inventory covers Berkadia's Scope 1 emissions, Scope 2 (location- and market-based) emissions, and Scope 3 emissions for business travel. The Scope 1 and Scope 2 GHG inventories also include the emissions related to energy usage at three co-located data centers and 96 offices and meeting facilities in both the U.S. and India. The Scope 3 inventory covers emissions related to business travel across both U.S. and India operations.

Scope 1 and Scope 2 GHG emissions are considered direct and indirect emissions, respectively. For Berkadia, direct emissions are generated by on-site fuel usage (natural gas and diesel), and indirect emissions are generated by electricity use in leased offices and co-located data centers. For this assessment, Scope 3 emissions are limited to those related to Berkadia's business travel, which includes emissions from flights, hotel stays, and car and rail travel.

The methodologies used to estimate Berkadia's total GHG emissions are consistent with the World Resources Institute and World Business Council for Sustainable Development's GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) for emissions calculations. In our 2023 assessment, we expanded the boundary to include all locations directly leased by Berkadia, without limiting to locations with at least ten employees as in prior reporting. We applied this boundary and recalculated our 2022 emissions as well, which increased our location-based Scope 1 and 2 emissions total by 28%.

Results

From 2022 to 2023, Berkadia's Scope 1 and 2 emissions decreased by 4% due to a 3% decrease in energy usage at Berkadia's facilities in addition to grid emission factor reductions.

Berkadia's total business travel-related Scope 3 emissions in 2023 increased by 21% from 2022 due to a 30% increase in air emissions travel from the prior year. In the past year, the largest source of emissions was air travel, while the source with the least emissions was rail travel.

See below for a table of the calculated 2023 Scope 1, Scope 2, and business travel-related Scope 3 emissions totals in metric tons of carbon dioxide equivalents (MT CO₂e), which is used to express the total impact of GHG emissions in the atmosphere and compares the impact of different greenhouse gases based on their ability to trap heat. We have also included metrics from the assessment of our 2022 emissions.

Although our current GHG inventory continues to include estimated emissions, we have improved our data collection process, making our estimations more accurate. This past year, we were able to get data for five additional facilities. In our 2023 GHG inventory, 63% of emissions from electricity and 99% of emissions from natural gas were estimated figures. One of Berkadia's priorities is to continue improving data coverage while conducting future annual greenhouse gas assessments.



Berkadia Corporate Greenhouse Gas (GHG) Emissions Reporting¹

GHG EMISSIONS SOURCE	2022 ² EMISSIONS (MT CO2E)	2023 ³ EMISSIONS (MT CO2E)
Scope 1 (including on-site diesel and natural gas use)		
Scope 1 Emissions – Natural Gas	435	544
Scope 1 Emissions – Diesel	6	7
Total Scope 1 Emissions	441	549
Scope 2 (including purchased energy)		
Scope 2 Location-Based Emissions	3,151	2,896
Scope 2 Market-Based Emissions ⁴	648	-
Total Scope 1 and Scope 2 Location-Based Emissions	3,592	3,445
Total Scope 1 and Scope 2 Market-Based Emissions	1,089	549
Scope 3 (including business travel)		
Air Travel Emissions	1,390	1,810
Road Travel Emissions	313	274
Rail Travel Emissions	4	5
Hotel Stay Emissions	104	110
Total Scope 3 Business Travel	1,811	2,199
ELECTRICITY USAGE	2022 USAGE (MWH)	2023 USAGE (MWH)
Total Electricity Consumption	8,607	7,651
Percentage Renewable Electricity, Reflecting Renewable Energy Credits (RECs) Purchases	78% ⁵	100%
RECs Purchased	6,724 ⁶	7,651 ⁷

¹ Our environmental indicators are preliminary, unaudited, and subject to revision.

² Emissions factors utilized: U.S. EPA's Emissions & Generation Resource Integrated Database (eGRID) 2020 (released 2022); U.S. EPA's GHG Emission Factors Hub (released 2021); Department for Environment, Food & Rural Affairs (DEFRA) (released 2021); IEA Emissions Factor Database (released 2022); 2022 Green-e® Residual Mix Emissions Rates (2020 data released July 2022 and updated October 2022). Numbers might not sum due to rounding. The emissions for 2022 were recalculated based on an expanded boundary.

³ Emissions factors utilized: U.S. EPA's Emissions & Generation Resource Integrated Database (eGRID) 2021 (released 2023); U.S. EPA's GHG Emission Factors Hub (released 2023); Department for Environment, Food & Rural Affairs (DEFRA) (released 2023 and 2022); IEA Emissions Factor Database (released 2023); 2023 Green-e® Residual Mix Emissions Rates (2021 data released December 2023). Numbers might not sum due to rounding.

⁴ Remaining market-based Scope 2 emissions were reduced using renewable energy credits (RECs).

⁵ Coverage is not 100% due to an expansion of the prior reporting boundary. Berkadia purchased RECs to cover 100% of the prior boundary as reported in 2023.

⁶ Energy attribute certificate purchases were made prior to publication of this report, but certificate retirements reflect 2022 vintage RECs to properly account for 2022 MWh grid usage. Berkadia purchased one more credit to account for the partial MWh not reflected due to rounding.

⁷ Energy attribute certificate purchases were made prior to publication of this report, but certificate retirements reflect 2023 vintage RECs to properly account for 2023 MWh grid usage.

Renewable energy certificates and offsets

The main goal of our GHG assessment was to understand our emissions impact year-over-year and use the results to make meaningful decisions about how to reduce it. In this case, the results from our GHG assessment informed our decisions regarding the purchase of RECs and carbon offsets.

We purchased high-quality, verified carbon credits to offset the 2,751 MT CO₂e from our Scope 1 and Scope 3 (business travel) GHG emissions in 2023. Carbon offsets are a means of financially supporting GHG emissions avoidance or reduction based on the calculated metric tons emitted by our operations.

REC purchases represent our voluntary decision to support the renewable energy market by paying for zero-emission, renewable energy. Since local utilities are not always able to provide direct access to renewable sources, REC purchases allow Berkadia to “net-out” emissions associated with electricity sourced from the grid in our market-based calculation. In 2023, Berkadia purchased 7,651 MWh of RECs to offset Scope 2 (market-based) emissions in both the U.S. and India.

As we continue to improve our understanding of ways to reduce our impact, we will use our GHG assessment results to inform financial decisions regarding RECs and carbon offset purchases.

Appendix



High-Priority ESG Topics

Below is a list of the definitions of the 18 key ESG factors that surfaced through our 2022 Materiality Assessment. Please see page 07 for more information regarding this assessment and how it is being incorporated into Berkadia's approach to ESG.

Business Model and Innovation Factors

Climate Risk: Understanding how climate change will impact business and how business will impact climate. This may include identifying and mitigating climate related risks (physical, regulatory, reputational, etc.), identifying opportunities related to climate change, conducting scenario analysis to plan for climate scenarios, and more.

Responsible Investment: Integrating the analysis of ESG factors and deploying engagement strategies into investment decision-making. This may include negative screening for investments, value-based investment approaches, becoming a signatory of the UN Principles of Responsible Investment, assessing ESG related risks in portfolios, and more.

Systemic Risk Management: Preparing for and managing potential crisis and risks that may impact the business. This may include forecasting, mitigation strategies, training, critical incident management, and more.

Vendor Management: Understanding and ensuring third party vendors align with the company's business ethics, including social and environmental performance. This may include efforts that detail considerations and expectations for vendors to uphold ethical standards, protestation of human rights, audits and vendor due diligence, sustainable procurement strategies, and more.

Environmental Factors

Facilities Management: Measuring and minimizing the environmental impacts throughout the company's operations and facilities. This may include initiatives to conserve energy, source renewable energy, implement waste and recycling programs, pursue green building certifications, provide employee training and education, and more.

Greenhouse Gas ("GHG") Management: Measuring and minimizing greenhouse gas emissions wherever feasible throughout the life cycle of the company's products and services. This may include reporting emissions, mitigation strategies, carbon footprint reduction or neutrality goals, and more.

Integration of Sustainability in our Services: Researching, developing, and offering services that drive innovation in sustainability. This may include financing properties with green certifications, incentivizing lease and building owners to enhance sustainability performance, advising on implementing environmental solutions, and more.

Governance Factors

Board Independence and Diversity: Sharing the structure of the company's board to ensure effectiveness and representation of shareholder values. This may include disclosing information regarding independent board members, committees, minority representation, and more.

Business Ethics: Ensuring the company's values, standards, and norms are ethical and managed throughout business operations. This may include policies or practices relating to the code of conduct, anti-corruption, grievance mechanisms, compliance, levels of executive compensation, audits, and more.

Governance of "ESG": Ensuring oversight and management of environment, social, and governance topics throughout the company's operations. This may include ESG policies, strategies, audits, committee oversight, and more.

Stakeholder Engagement: Actively engaging and seeking input from stakeholders to incorporate into business strategies and priorities. This may include fair and transparent reporting, membership in industry associations, materiality assessments, shareholder governance and rights, political involvement, and more.

Human Capital Factors

Diversity, Equity, and Inclusion: Providing a work environment that promotes diversity of gender, ethnicity, sexual orientation, physical ability, age, religious or personal beliefs, and socioeconomic background. This may include policies that prohibit harassment and/or discrimination, recruitment and retention strategies, employee resource groups, pay equity assessments, and more.

Employee Engagement, Training and Development: Implementing programs and policies that attract and retain talent. This may include efforts or policies that relate to employment security, compensation, incentives to develop knowledge or skillsets, career growth opportunities, and more.

Labor Practices and Employee Well-Being: Upholding fair labor practices to ensure the health, safety, and well-being of all employees. This may include providing a safe work environment, comprehensive employee benefits, promoting a work-life balance, freedom of association policies and practices, emergency preparedness, and more.

Social Capital Factors

Access and Affordability: Providing products and services that are accessible and financially inclusive. This may include affordable housing communities, supportive service programs for low-income residents, efforts to manage barriers that may prevent or restrict access to buildings, and more.

Data Security and Customer Privacy: Establishing an information and cybersecurity system that is secure, resilient, and ensures the protection of privacy. This includes managing and mitigating the risks of security breaches, employee IT training, protocols for the collection and retention of personal information, and more.


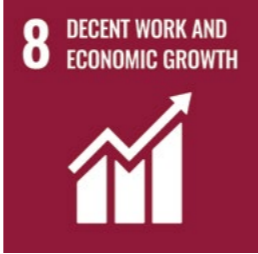


Fair Lending and Customer Welfare: Aligning products and services with the interests and well-being of customers. This may include efforts or policies to ensure fair and transparent selling and lending practices, risk disclosure, customer engagement and feedback mechanisms, mitigating conflicts of interest, and more.

Philanthropy and Volunteerism: Establishing and supporting positive relations within communities. This may include volunteer incentives or programs, donations, active engagement with local communities, and more.

U.N. Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) are a collaborative, global effort to achieve a more sustainable future for all. In alignment with our commitment to sustainable business practices, we have renewed our focus on the following SDGs.



GOAL	DESCRIPTION	ALIGNMENT WITH BERKADIA	REPORT SECTION
 <p>5 GENDER EQUALITY</p>	Achieve gender equality and empower all women and girls	Diversity, equity, inclusion and belonging are at the heart of Berkadia’s culture. We aim to cultivate an inclusive environment in which everyone belongs, feels represented, and is empowered to be their best and authentic self. We continue to add resources to support our DEIB work and promote equity in our workplace. (Target 5.5.)	See Investing in Our People
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Berkadia works hard to provide fair, livable wages for our employees. We conduct an annual pay equity assessment, and we are proud to confirm that our pay practices remain equitable each year. Employees within the same position are paid fairly, irrespective of their race, ethnicity or gender. (Target 8.5.)	See Investing in Our People
 <p>10 REDUCED INEQUALITIES</p>	Reduce inequality within and among countries	Affordable housing is a priority at Berkadia. We are committed to providing equal opportunity and reducing inequalities of outcome, which includes providing greater access to housing for all who need it. (Targets 10.2 and 10.3.)	See Supporting Affordable Housing
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities and human settlements inclusive, safe, resilient and sustainable	Our work in affordable housing plays a role in providing access to adequate, safe and affordable housing and basic services to all. (Target 11.1.)	See Supporting Affordable Housing

Sustainability Accounting Standards Board (SASB)

The following tables incorporate the accounting standards from the Sustainability Accounting Standards Board (SASB) related to mortgage finance and real estate services industries. They include the relevant topic metric(s) when available and/or references to sections within this report where specific topics are discussed.

TOPIC	ACCOUNTING METRIC	SASB CODE	BERKADIA RESPONSE	REPORT SECTION
Sustainability Services	Revenue from energy and sustainability services	IF-RS-410a.1	Berkadia does not currently report this information.	For more information, please see the Incorporating Sustainability into Our Products and Services section
	(1) Floor area and (2) number of buildings under management provided with energy and sustainability services	IF-RS-410a.2		
	(1) Floor area and (2) number of buildings under management that obtained an energy rating	IF-RS-410a.3		
Transparent Information & Management of Conflict of Interest	Brokerage revenue from dual agency transactions	IF-RS-510a.1	Berkadia does not currently report this information.	For more information, please see the Operating Responsibly section
	Revenue from transactions associated with appraisal services	IF-RS-510a.2		
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	IF-RS-510a.3		
Lending Practices	(1) Number and (2) value of residential mortgages of the following types: (a) combined fixed- and variable-rate, (b) prepayment penalty, and (c) total	FN-MF-270a.1	Berkadia does not currently report this information.	For more information, please see the Empowering Responsible Investment section
	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure	FN-MF-270a.2		
	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	FN-MF-270a.3		
	Description of remuneration structure of mortgage loan originators	FN-MF-270a.4		

TOPIC	ACCOUNTING METRIC	SASB CODE	BERKADIA RESPONSE	REPORT SECTION
Discriminatory Lending	(1) Number, (2) value, and (3) weighted average loan-to-value ratio of mortgages issued to (a) minority and (b) all other borrowers	FN-MF-270b.1	Berkadia provides loans to a diverse pool of candidates without redlining or discriminating against specific groups. Our loans are audited by third parties. HMDA also verifies that we do not redline.	For more information, please see the Empowering Responsible Investment section
	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	FN-MF-270b.2		
	Description of policies and procedures for ensuring non-discriminatory mortgage origination	FN-MF-270b.3		
Environmental Risk to Mortgaged Properties	(1) Number and (2) value of mortgage loans in 100-year flood zones	FN-MF-450a.1	(1) 975 mortgage loans with properties located in 100-year flood zones Berkadia does not currently report this information.	For more information, please see the Empowering Responsible Investment section
	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency because of weather-related natural catastrophes, by geographical region	FN-MF-450a.2		
	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	FN-MF-450a.3		
			Climate change has pushed commercial insurance programs to become more complex. We help borrowers continue to provide affordable housing while mitigating the limited availability and increased cost of insurance. Our analysis uses risk-modeling tools to inform our recommendations and decisions. See Empowering Responsible Investment	



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