

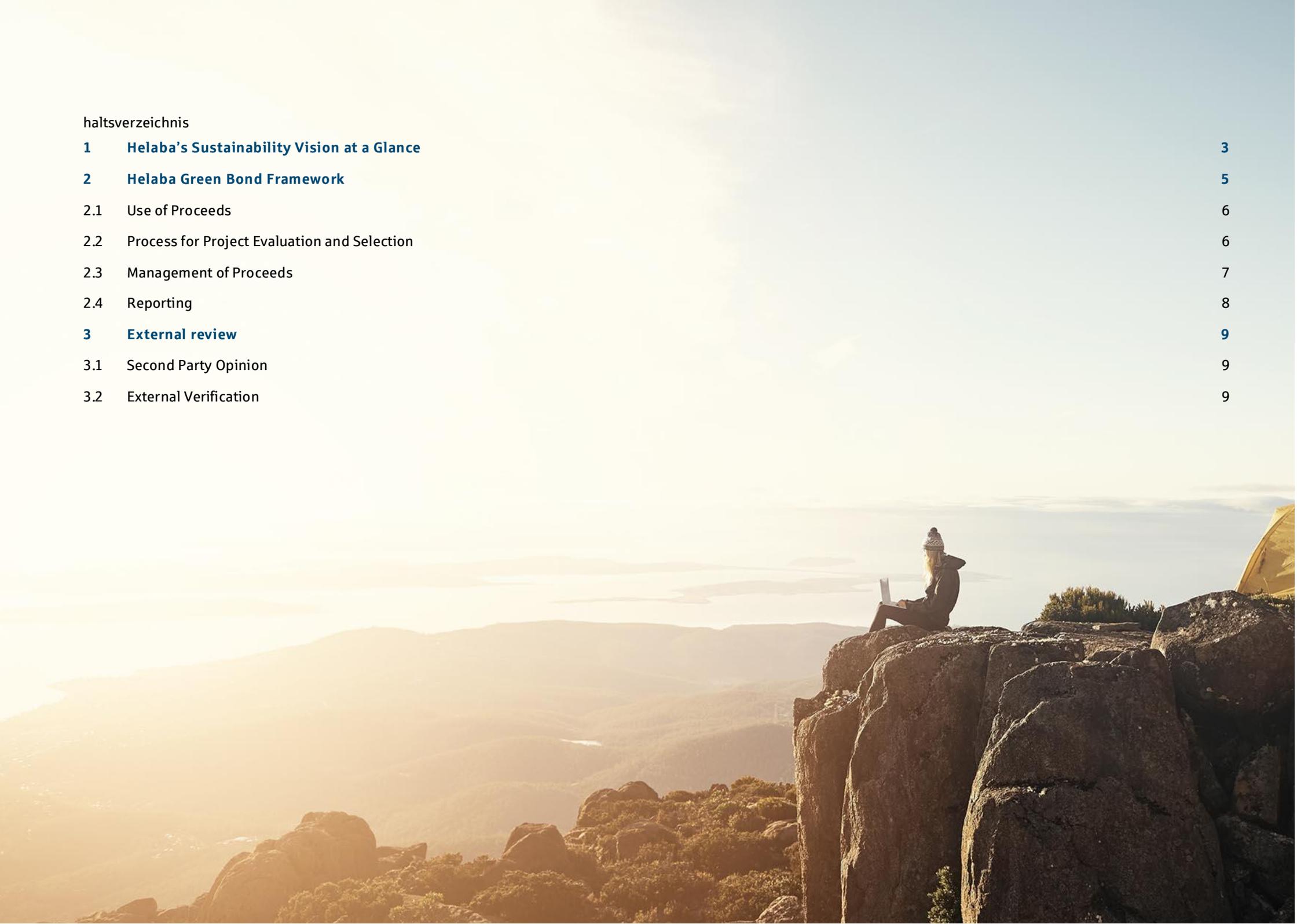


Helaba Green Bond Framework

April 2021

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1 Helaba's Sustainability Vision at a Glance

Helaba is a credit institution organised under public law with the long-term strategic business model of a full-service bank; it has a strong regional focus, a presence in carefully selected international markets and is tightly integrated into the Sparkassen-Finanzgruppe. Helaba's registered offices are situated in Frankfurt am Main and Erfurt and it has branches in Düsseldorf, Kassel, London, New York, Paris and Stockholm plus several representative and sales offices, subsidiaries and affiliates.

Helaba's strategic business model

As a commercial bank, Helaba's hallmarks include stable, long-term customer relationships. It works with companies, institutional clients, the public sector and municipal corporations.

In addition to Helaba, the business model includes further strong, well-known brands (in some cases, legally independent subsidiaries) that complement the Group's product portfolio such as Landesbausparkasse Hessen-Thüringen (LBS), Wirtschafts- und Infrastrukturbank Hessen (WIBank), Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG, Helaba Invest, GWH Group, OFB Group.

Helaba's over-riding commitment to sustainability is set out in the Treaty of the Formation of a Joint Savings Banks Association Hesse-Thuringia, which requires it to operate in the public interest. The way Helaba sees itself is characterised by a sense of responsibility towards society and the environment. Supporting prosperity and the common good as well as conserving the basic resources needed for life is an inherent obligation.

Sustainability standards

Sustainability in the sense of ecological and social responsibility and a stringent governance are an integral component of the Group's binding business strategy. Helaba pledges its commitment to the objectives of the Paris Agreement and the climate objectives of the German federal government and the European Union. Helaba also signed the ten principles of the UN Global Compact. With this step, the Helaba recognises international standards for environmental protection, human and labour rights and anti-corruption measures.

At both national and international levels, Helaba applies the Universal Declaration of Human Rights and the Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organization (ILO) as overarching principles for all its business activities and within its sphere of influence. If Helaba is aware that a particular company or institution does not respect fundamental human rights or causes environmental damage, it will avoid working with that company or institution.

Helaba's sustainability strategy contains sustainability guidelines applicable for the Group, which acknowledge Helaba's environmental and social responsibilities, and lay down standards of conduct in the areas of business interests, business operations, staff and corporate social responsibility. Helaba's corporate values under the "Values with impact" slogan underline its aspirations to make a positive contribution to society and to strengthen Germany as a business location.



Helaba sets out its basic principles for respectful and trusting interaction between employees in its Code of Conduct which applies to all employees. The success of the Helaba Group depends in large part on the skills and commitment of its staff, and Helaba makes a priority of ensuring all of its employees with all of their diverse characteristics and skills feel valued and receive the development support they need. Helaba has signed the Diversity Charter, a voluntary commitment to promote a corporate culture that is without prejudice or discrimination.

Risk strategy and sustainability criteria for lending business

Lending business is Helaba's core activity. There is a risk that businesses or projects financed by Helaba could have negative effects on the environment or society. At the same time, Helaba is making best efforts, as part of its risk management system, to minimise environmental, social and governance (ESG) risks, including the transitional and physical risks caused by climate change, that may arise from its financing activities.

In 2017, Helaba therefore developed sustainability and exclusion criteria for all of its lending activities. These criteria are integrated into the overarching risk management processes and apply throughout the Group. Accordingly, it has been set out in the specific risk strategy for default risk that it is prohibited to consciously finance projects that could have a serious detrimental environmental or social impact.

This includes, but is not limited to, violations of human rights, the destruction of cultural assets, infringements of employee rights, and environmental damage such as the destruction of the natural habitats of threatened species. These overarching principles are complemented by sector-specific requirements applicable to sectors exposed to heightened ESG risk. In 2020 Helaba withdraw from involvement in activities directly connected with the value chain for coal such as conveyor systems and transport logistics for coal mining.

When financing the construction and renovation of power plants, Helaba strongly promotes the use of particularly environmentally friendly technologies and products. What is more, Helaba is stepping up its positive involvement in projects relating to climate change by financing energy-efficient and environmentally friendly technologies as well as renewable energy sources. The sustainability criteria for lending are published on Helaba's website. Helaba reviews its risk strategies annually and will adjust or expand sustainability criteria as required.

Helaba's own ecological footprint

Helaba's own contribution to a low-carbon economy starts with its operations. As a credit institution, Helaba produces fewer emissions than manufacturing companies. The main sources of emissions include the utilisation of office buildings, business travel and the electricity consumption of our IT systems.

In 2018, Helaba was directly and indirectly responsible for 9.1 kilotons of CO₂ emissions (2017: 11.2 kilotons). About half of these emissions was related to the consumption of electrical and heating energy. The other half of emissions stemmed from business trips by train, car and Aeroplane as well as from the operation of own IT systems.

Helaba is committed to reducing this ecological footprint on a continuous basis. Helaba relies on electricity generated from renewable sources for over 90% of its electricity needs in office buildings. Helaba regularly monitors environmental key performance indicators in relation to its operations and publishes the results transparently on its website (www.helaba.com/int/sustainability-results).



2 Helaba Green Bond Framework

Helaba has decided to issue Green Bonds in order to support its sustainability strategy and the financing of projects and assets contributing to climate change mitigation and energy transition. The structure of the Helaba Green Bond Framework follows the ICMA's Green Bond Principles of 2018.

The framework consists of four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The Helaba Green Bond Framework, which may be updated in the future, serves as the reference document containing a single robust methodology for all future issuances of Green Bonds and other green financing instruments including public or private placements, senior non-preferred and senior preferred bonds as well as secured bonds such as Pfandbriefe.

The proceeds are intended to be used for financing of a portfolio of Green loans ("Eligible Green Loan Portfolio"), defined, selected, monitored and reported on, in accordance with this framework.

[EU Green Bond Standard and EU Taxonomy for sustainable activities](#)

In developing the Helaba Green Bond Framework, care was taken to reflect market best Green Bond practices and related regulations foremost the EU GBS and EU Taxonomy Directive. Funds raised by issuance of Green Bonds in line with the Helaba Green Bond Framework will be used to fund projects and assets that comply with the European taxonomy for sustainable finance (EU Taxonomy) as currently proposed by the TEG, and focus on renewable energy, thereby contributing substantially to the EU Environmental Objective of climate change mitigation and to the United Nations Sustainable Development Goals (SDGs) no. 7 (affordable and clean energy).

Possible amendments to the Green Bond Principles or developments in relation to the EU GBS or the EU Taxonomy may lead to an update of the Helaba Green Bond Framework in the future, either maintaining or improving the current level of transparency and reporting.

2.1 Use of Proceeds

Helaba will allocate the amount corresponding to the net proceeds of the Green Bonds issued under the Helaba Green Bond Framework exclusively to an Eligible Green Loan Portfolio. This portfolio is composed of new and/or existing loans (“Eligible Green Loans”) financing or refinancing, in whole or in part, the acquisition, production, transmission, expansion or development of projects (“Eligible Green Projects”) which supports the transition to a clean and environmentally sustainable economy.

In order to be eligible for inclusion into the Green Portfolio, the loan must be granted to renewable energy projects (NACE code D35.1.1) that meet the specific eligibility criteria and contribute to the EU Environmental Objective of Climate Change Mitigation.

The table below outlines the eligibility criteria and corresponding eligibility requirements under the EU Taxonomy for projects to be considered as Eligible Green Projects. The table also maps the Eligible Categories to the relevant SDGs. Eligible Green Projects are all subject to local laws and regulations regarding labour standards and social conditions. Helaba is active in countries that have adopted the UN Guiding Principles on Business and Human Rights and have ratified all ILO core labor conventions.”

The selection criteria are in accordance with conditions as outlined in this section and might be extended by the currently still evolving criteria around the do-no-significant-harm assessment as proposed through the EU Taxonomy directive in the future.

Helaba commits on a best-efforts basis to reach full allocation within one year following each Green Bond issuance.

Eligible category	Eligibility criteria	UN-SDG alignment
Renewable Energy	<p>Loans in projects related to renewable energy projects, including but not limited to the following technologies:</p> <ul style="list-style-type: none"> ▪ Wind energy: Onshore and offshore wind energy generation facilities ▪ Solar energy: Solar energy Photovoltaics, concentrated solar power, and solar thermal facilities <p>Eligibility requirements under the EU Taxonomy to be considered:</p> <ul style="list-style-type: none"> ▪ Substantial Contribution to Climate mitigation objective to ensure alignment with focused environmental objective ▪ Compliance with “do-no significant harm criteria” to ensure alignment with other environmental objectives” ▪ Compliance with Minimum Social Safeguard requirements to ensure sound labour standards and respect for human rights 	 <p>Affordable and clean energy</p>  <p>Climate action</p>

2.2 Process for Project Evaluation and Selection

All Eligible Green Loans comply with Helaba’s standard credit procedures, which include compliance with the Helaba sustainability criteria for lending activities and as well as compliance to any applicable regulatory environmental and social requirements.

Helaba has established a dedicated “Green Bond Committee” to manage and monitor the Process for Project Evaluation and Selection as defined by the eligibility criteria in Section 2.1 Use of Proceeds above.

This committee meets at least on a quarterly basis and is composed of the Chief Sustainability Officer (CSO) of Helaba and senior representatives from Helaba’s:

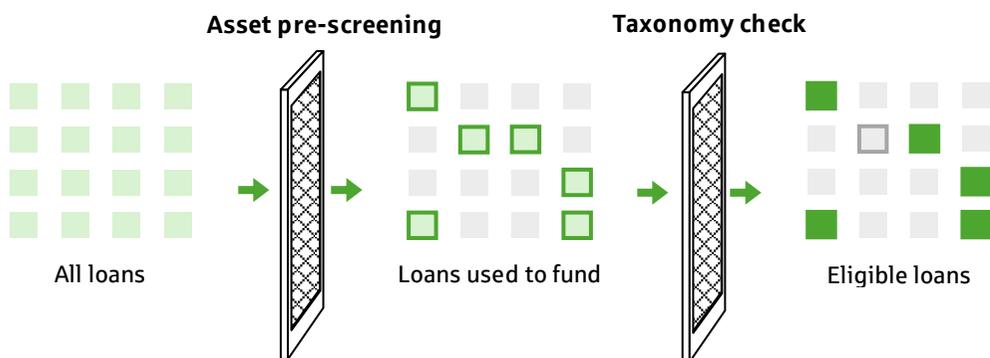
- Asset Finance
- Credit Risk Management
- Treasury

The Green Bond Committee is responsible for the following:

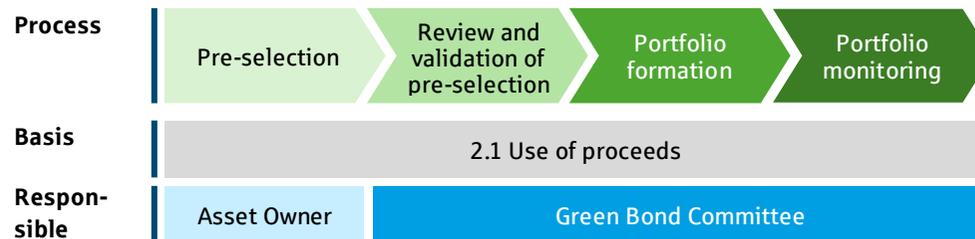
1. Review and validation of the selection process of Eligible Green Loans in accordance with the criteria defined in Section 2.1 Use of Proceeds.
2. Monitoring the portfolio of Eligible Green Loans (“Green Loan Portfolio”) during the life of the transaction.
3. Management of any future updates of the Helaba Green Bond Framework.
4. Coordination of allocation and impact reporting (see Section 2.4 Reporting).

The Process for Project Evaluation and Selection process is the following:

1. The relevant business lines of Helaba carry out a pre-selection of potential Eligible Green Loans in accordance with the criteria defined in Section 2.1. Use of Proceeds. This pre-selection comprises a pre-screening of the potential green loans for meeting the eligibility category and a check for alignment with the EU Taxonomy.



2. The potential Eligible Green Loans are reviewed and validated by credit risk management as part of the standard loan granting process.
3. The Green Bond Committee monitors the portfolio of Eligible Green Loans (“the Green Portfolio”) during the life of the transaction. Specifically, the committee can decide to replace some Eligible Green Loans if an asset no longer meets the eligibility criteria. The Green Bond Committee monitors and refines the selection process of eligible green loans on a regular basis



A reputable verifier is mandated to evaluate on an annual basis the compliance of the Green Loan Portfolio with the requirements set by the Helaba Green Bond Framework. Any issue regarding one or multiple green loans in the portfolio raised by the verifier in this process can lead to the exclusion of the respective loan(s), following the exclusion process through the Green Bond Committee.

2.3 Management of Proceeds

The net proceeds of any Green Bond issued under the Helaba Green Bond Framework as well as the allocation of the funds to the Green Loan Portfolio will be managed by Helaba’s Treasury division.

The Eligible Green Loans comprising the Green Loan Portfolio stem from the Eligible Categories as defined in Section 2.1 Use of Proceeds and are subject to the loan evaluation and selection process as defined in Section 2.2 Process for Project Evaluation and Selection.

An amount corresponding to the net proceeds of any Green Bond issued by Helaba under the Framework, irrespective of the legal form of the instrument, will be used to finance Helaba’s Eligible Green Loans. The Eligible Green Loans stem from Eligible Sectors as defined in section 2.1 Use of proceeds, subject to the asset selection and evaluation process. The Green Loan Portfolio is expected to grow in size over time as further sectors are added to the Framework.

Helaba commits to allocate a sufficient amount of Eligible Green Loans to the Green Loan Portfolio in order to secure that the outstanding balance of Eligible Green Loans exceeds the total balance of all outstanding Green Bonds.

In practice, this implies that amortised or redeemed Eligible Green Loans are replaced by new Eligible Green Loans as timely as practically possible. If an Eligible Green Loan no longer meets the eligibility criteria, it will be removed from the Green Loan Portfolio and it will be as soon as possible replaced, subject to availability.

All new Eligible Green Loans will be added automatically to the Green Loan Portfolio to provide for sufficient and timely allocation of the incremental net proceeds. Based on the internal monitoring of the Green Loan Portfolio, the Green Bond Committee will review and approve allocations of bond proceeds to Eligible Green Loans on a quarterly basis.

In order to provide high level of transparency a third party will verify the internal tracking and allocation process of the Green Bond's proceeds on an annual basis.

2.4 Reporting

As long as there is any Green Bond issued in line with the Helaba Green Bond Framework outstanding, Helaba is committed to publish relevant information and documents regarding its Green Bond activities in a dedicated Green Bond Report, which will be made available on Helaba's website (www.helaba.com/int/greenbond).

The Green Bond Report details both the allocation of the net proceeds of the Green Bonds (Allocation Reporting) and the environmental impact of the Eligible Green Loans included in the Green Loan Portfolio (Impact Reporting). The report will be available to investors [within one year] from the date of the bond issuance, and thereafter on an annual basis until the bond matures. Moreover, Helaba shall communicate any material evolution of the Green Loan Portfolio on an ad-hoc basis.

Contents of the Green Bond Report will be externally reviewed once the bonds proceeds are fully allocated to Eligible Green Loans and will be made available on Helaba's website (www.helaba.com/int/greenbond).

Allocation Reporting

Helaba will publish an annual report on the use of the Green Bonds' proceeds until maturity. The reporting will contain details including but not limited to the following:

- Confirmation that the use of proceeds of Green Bonds outstanding are in alignment with the eligibility criteria set by the Helaba Green Bond Framework and thereby also with the EU GBS and EU Taxonomy Directive
- The total amount of outstanding Green Bonds and the share of proceeds used for financing or re-financing purposes
- The potential balance of unallocated Green Bond proceeds
- A breakdown of allocated amounts to Green Projects at level of Eligible Category (further breakdowns possible)
- The geographical distribution of Green Projects on country level

Impact Reporting

Renewable-energy projects represent a key element for the transition to a low-carbon economy. The construction and operation of solar and wind power plants, eligible under the Green Bond Framework, positively contribute to the environmental goal of climate change mitigation.

Until the bond matures, Helaba commits to publish an annual report that demonstrates the environmental benefits associated with the Green Loans Portfolio. Subject to feasibility and data availability, this impact report will contain the following information:

- A description of the Green Projects financed by the outstanding Green Bonds including the Environmental Objective(s) pursued
- Eligibility Category aggregated results and related environmental impact indicators (such as CO2 emissions avoided, renewable energy capacity in MW added)

An exemplary selection of potential impact indicators for the respective Eligible Category to be financed is provided by the table below. In case other Eligible Categories will be added in the future, the Helaba Green Bond Framework update would also include the addition of the respective impact reporting indicators for those categories.

Eligible Category	Output indicators	Impact indicators
Renewable energy	<ul style="list-style-type: none"> ▪ Green Loan Portfolio breakdown by technologies (%) ▪ Green Loan Portfolio breakdown by geographical areas (%) ▪ Expected total energy generation (MWh/year) ▪ Number of renewable energy projects financed 	Estimated annual avoided GHG emissions (in tCO ₂ e/year)

3 External review

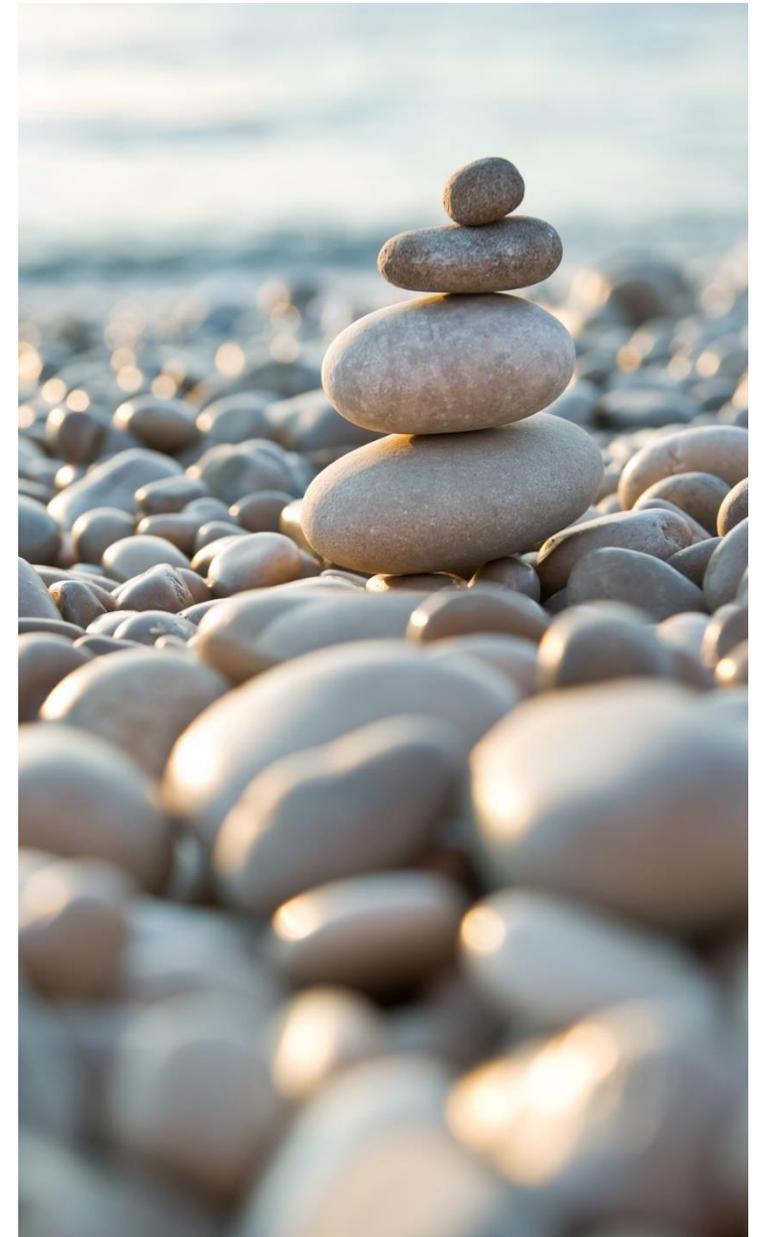
3.1 Second Party Opinion

This Helaba Green Bond Framework has been reviewed by ISS-ESG prior to issuance of the first Green Bond referring to it. ISS-ESG results are documented in a Second Party Opinion, which confirms that this framework meets the GBP and the EU GBP at time of its publication.

The Second Party Opinion document will be made available on Helaba’s website (www.helaba.com/int/greenbond).

3.2 External Verification

In order to ensure sustained compliance of all issued bonds with the methodology set out by the Helaba Green Bond Framework, Helaba will appoint an external verifier. The external verification will be included into the dedicated Green Bond Report.



Helaba

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