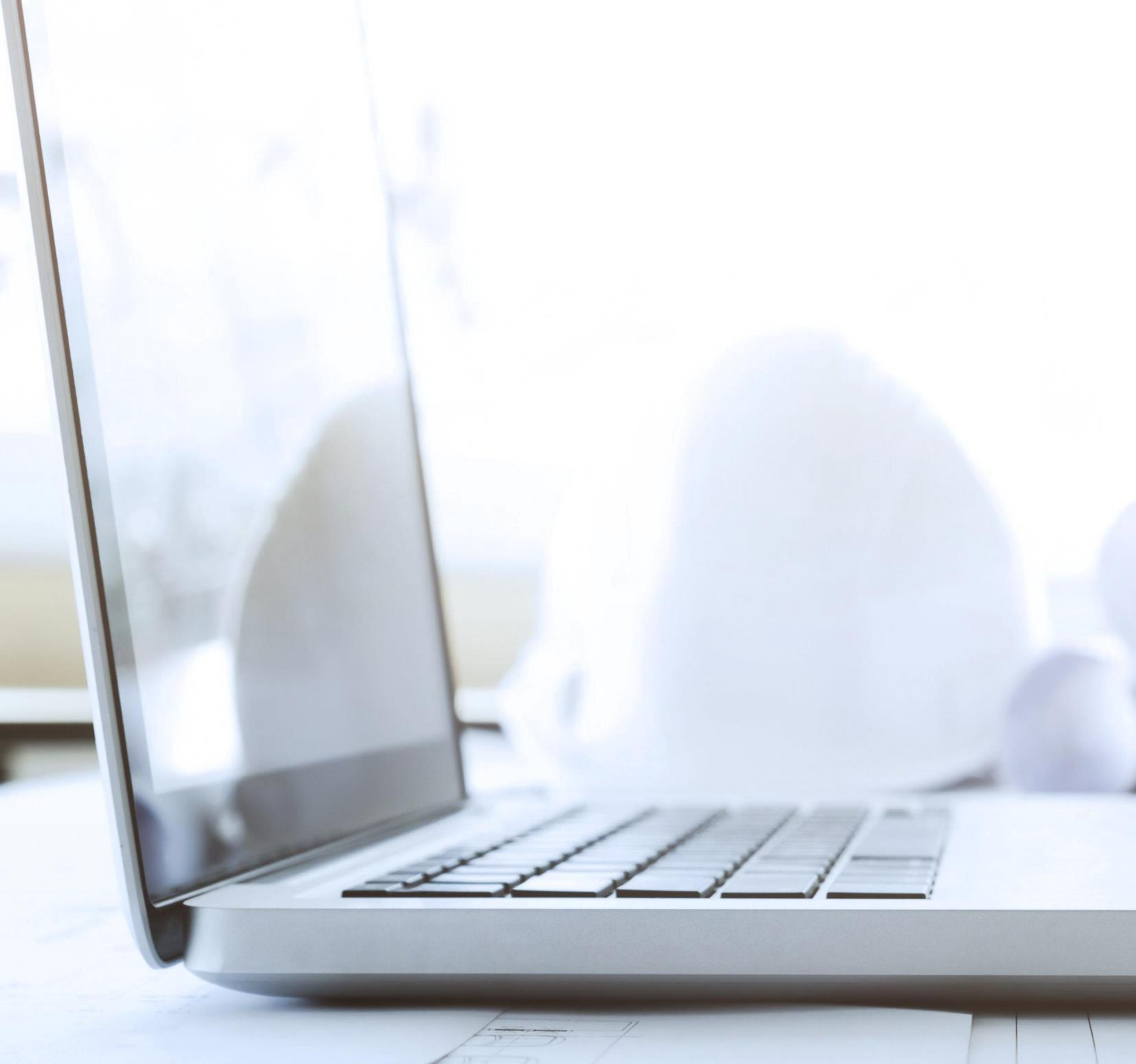
Helaba

Principles for Responsible Banking

UNEP Finance Initiative
Reporting and Self-Assessment September 2023

Werte, die bewegen.



Herausgeber:

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Im nachfolgenden Text wird die Landesbank Hessen-Thüringen im Sinne einer besseren Lesbarkeit des Textes kurz „die Bank“ genannt.

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Helaba Landesbank Hessen-Thüringen Girozentrale (Helaba) is a public-law institution situated in the German financial capital of Frankfurt am Main. One of the leading banks in Germany, Helaba employs approximately 6,300 people and has total assets of € 211.5 bn. Helaba bank and its main loan issuing subsidiaries Frankfurter Sparkasse, Landesbausparkasse Hessen-Thüringen (LBS) and Wirtschafts- und Infrastrukturbank Hessen (WIBank) offer a complete range of financial products and services from a single source for companies, banks, public institutions and other institutional investors. The services provided include public financing, real estate loans, loans to corporate customers and financial institutions and project finance, amongst others. Further, we provide innovative, high-quality financial products and services for Sparkassen. Helaba serves as the Sparkasse central bank for Hesse, Thuringia, North Rhine-Westphalia and Brandenburg, making us a strong partner for some 40 percent of Germany's Sparkassen. Helaba also engages in many areas of public life by sponsoring several cultural, educational, environmental, sports and social projects.	*Source:* *Annual Report '22, p.2, 11* *Investor Presentation '22, p.11*

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☒ Yes

☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

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Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

☐ UN Guiding Principles on Business and Human Rights

☒ International Labour Organization fundamental conventions

☒ UN Global Compact

☐ UN Declaration on the Rights of Indigenous Peoples

☐ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: --------------------

☐ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----------------------

☐ None of the above

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Sustainability and social responsibility are part of our business strategy and fully integrated at all levels of management. Helaba has pledged its commitment to the objectives of the Paris Agreement and the climate objectives of the German federal government and the European Union. Further, we have been committed to the ten principles of the UN Global Compact since 2017, thereby recognizing international standards for environmental protection, human and labour rights, and anti-corruption measures, and undertaking to align our business operations with these standards. Our Code of Conduct anchors our sustainability agenda within the organisation, providing everyone who works here with a binding framework to guide their actions. Helaba Invest (2018) and Frankfurter Bankgesellschaft (2020) have in addition signed up to the UN Principles for Responsible Investment (PRI), under which signatory institutions agree to always consider environmental, social and corporate culture factors in investment and decision-making processes, among other commitments. Helaba's Sustainable Lending Framework, which was implemented in 2022, includes a comprehensive set of criteria, including UN SDGs, and a standardised group-wide method for classifying sustainable finance, thus further increasing its share of the total lending volume.

Helaba has defined five sustainability goals:

1. We are reducing the emissions at our own company as far as possible.
2. Our actions contribute to achieving the Paris Climate Agreement.
3. We encourage diversity.
4. We are investing in our employees and society.
5. We aim to achieve a good and stable ESG rating position.

These five goals have been set to help drive our continued progress in sustainability matters – and we want our actions to be measured against them. We have developed an effective management system for this purpose using key performance indicators (KPIs) derived from our five sustainability goals. All Helaba Group

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Source:

Annual Report '22, p.14-16, p. 74

Code of Conduct '17

Declaration of accession to the UN Principles for Responsible Investment '20

Sustainable Lending Framework '22

Sustainability Report '22, p. 14f

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companies are aligning their business operations with these sustainability objectives, enhancing the capabilities of the group as a whole in the process.	

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly[1] and fulfil the following requirements/elements (a-d)[2]:

a) ***Scope:*** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Helaba has performed its first impact analysis using the UNEP FI Portfolio Impact Analysis Tool for Banks. We applied the Institutional Banking Impact Identification Module as well as the Real Estate module to analyse our loan portfolio. The impact analysis covers our corporate client portfolio, financial institutions, WIBank loans, public sector, as well as our real estate portfolio, representing our core business areas. Within the portfolios analysed, we focused on Germany, France, Luxembourg, the United Kingdom and the United States. This allowed us to cover more than 80 % of our total lending portfolio in our first impact analysis. The coverage of the impact analysis will be gradually expanded until all relevant parts of Helaba's loan portfolio are covered. The areas "Investment Banking", "Consumer Banking", as well as our remaining countries of operation were not considered in our first impact analysis, as they only account for a small share of the total portfolio. The results form the basis for identifying the most significant areas of impact in our loan portfolio.	*Investor Presentation '22, p. 21*

[1] That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

[2] Further guidance can be found in the Interactive Guidance on impact analysis and target setting.

b) ***Portfolio composition:*** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope i) by sectors & industries[3] for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or ii) by products & services and by types of customers for consumer and retail banking portfolios. If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.	
We determined the proportion of outstanding loan balances based on the country of operation and the industry sector or economic activity for which the loans were granted. Helaba primarily operates in the German market, with some activities in the rest of Europe, the United States and the rest of the world. Overall, 69 % of Helaba's credit volume is attributable to the German market, 21 % to other European countries and 9 % to the North American market. Of the total lending volume, 31 % is attributable to the public sector, followed by 19 % to commercial real estate, 17 % to corporate customers, 15 % to financial institutions and 8 % to WIBank, leaving 10 % to other segments. We estimated our scale of exposure by integrating the NACE code industry classifications into the tools. Using the information from the UNEP FI impact radar, we identified areas where Helaba can either enhance positive impacts or potentially induce negative ones. As a result, we paid particular attention to impact-related sectors that account for a large part of our loan portfolio, namely the provision of financial services, loans to the public sector and other financial institutions, but also non-financial sectors such as manufacturing, electricity and energy and real estate activities.	*Links and references* *Annual Report '22, p.57* *Annual Report '22, p. 208*

1 [3] 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

c) ***Context:*** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?[4] Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis. *This step aims to put your bank's portfolio impacts into the context of society's needs.*	
According to the Context module of the PRB Impact Analysis Tool, the contextual analysis for Helaba indicates priority impact areas that are particularly suitable for target setting. Specifically, the areas of "Availability, accessibility, affordability, quality of resources & services", "Climate stability", "Biodiversity & healthy ecosystems" and "Circularity" have emerged as relevant impact areas for our portfolio. Germany, covering 69 % of Helaba's credit volume, has always been at the forefront of sustainable development, emphasising a balanced approach to social, economic and ecological facets. The nation's commitment to a climate-stable future and the preservation of biodiversity resonates with Helaba's focus areas. The transition to sustainable practices, the emphasis on circular economies and the protection of ecosystems are pivotal in shaping the future. • The emphasis on "Availability, accessibility, affordability, quality of resources & services" reflects the need for sustainable resources and services that are accessible and affordable to all, ensuring a balanced socio-economic development. • "Climate stability" and "Biodiversity & healthy ecosystems" are intertwined, emphasising the importance of a stable climate for the preservation of biodiversity and the overall health of our ecosystems. •The focus on "Circularity" underscores the importance of sustainable production processes, waste minimisation and the efficient use of resources, which are crucial for a sustainable transformation.	*Links and references*
Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)[5]? Please disclose.	
After evaluating the outcomes of our impact analysis and reflecting on our own considerations, we chose to prioritise the following three key impact areas: 1. Climate Stability 2. Biodiversity & Healthy Ecosystems 3. Circularity	*Links and references*

[4] Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

[5] To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

Climate Stability: The Context module underscores the importance of climate stability as a priority in all five analysed focus countries. Both the Real Estate and Institutional Banking modules highlight the profound influence of Helaba's portfolio on climate stability. Notably, the largest industries in terms of credit volume, financial services and public administration have significant potential impacts on this area. Given its alignment with SDG 13 (Climate Action), prioritising climate stability is crucial for Helaba's contribution to global climate goals. **Circularity:** Circularity is recognised as a priority in all analysed focus countries. The Real Estate module emphasises the potential negative impacts of the entire analysed real estate portfolio on circularity. The Institutional Banking module further underscores the significance of circularity, driven by key sectors. Emphasising circularity aligns with SDGs 11 (Sustainable Cities and Communities) and 12 (Responsible Consumption and Production), underscoring its importance. **Biodiversity & Healthy Ecosystems:** Biodiversity emerges as a priority in four out of the five focus countries. The Real Estate module indicates that the entire analysed real estate portfolio can potentially influence biodiversity. The Institutional Banking module reveals that while some industries have potential positive impacts, others might exert negative effects. Given the intricate nature of biodiversity and its influence on multiple SDGs, including SDGs 6, 11, 12, 14 and 15, it is evident that biodiversity is a highly relevant topic to tackle. Helaba's decision to prioritise these three impact areas stems from a thorough analysis of its portfolios, discussions and the potential for synergies with other impact areas. The prioritisation aligns with global sustainability goals, emphasising Helaba's commitment to a sustainable future. By focusing on these areas, Helaba is not only addressing its most significant potential impacts but also paving the way for innovative solutions that can drive positive change in the banking sector and beyond.	
d) *For these (min. two prioritized impact areas)*: ***Performance measurement***: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context. In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health & inclusion as	

your most significant impact areas, please also refer to the applicable indicators in the Annex. If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this. *The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.*	
As of our first PRB Report, Helaba is in the process of assessing its influence on the prioritised impact areas. Our aim is to establish two specific goals, which will be published in the following reports.	*Links and references*

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?[6]

Scope:	☒ Yes	☐ In progress	☐ No
Portfolio composition:	☒ Yes	☐ In progress	☐ No
Context:	☒ Yes	☐ In progress	☐ No
Performance measurement:	☐ Yes	☒ In progress	☐ No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate stability, Biodiversity, Circularity

How recent is the data used for and disclosed in the impact analysis?

☐ Up to 6 months prior to publication
☐ Up to 12 months prior to publication
☒ Up to 18 months prior to publication
☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: *(optional)*

[6] You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets[7] have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) ***Alignment:*** which international, regional or national policy frameworks to align your bank's portfolio with[8] have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

As of our first PRB Report, Helaba is in the process of assessing its influence on the prioritised impact areas. Our aim is to establish two specific goals, which will be published in the following reports.	*Links and references*

b) ***Baseline:*** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	*Indicator code*	*Response*
Climate change mitigation	…	
	…	
	…	

Impact area	*Indicator code*	*Response*
Financial health & inclusion	…	
	…	
	…	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

As of our first PRB Report, Helaba is in the process of assessing its influence on the prioritised impact areas. Our aim is to establish two specific goals, which will be published in the following reports.	*Links and references*

[7] Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.
[8] Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of

c) ***SMART targets*** (incl. key performance indicators (KPIs)[9]): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.	
As of our first PRB Report, Helaba is in the process of assessing its influence on the prioritised impact areas. Our aim is to establish two specific goals, which will be published in the following reports.	*Links and references*
d) ***Action plan:*** which actions including milestones have you defined to meet the set targets? Please describe. Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.	
As of our first PRB Report, Helaba is in the process of assessing its influence on the prioritised impact areas. Our aim is to establish two specific goals, which will be published in the following reports.	*Links and references*

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your…

	… first area of most significant impact: … *(please name it)*	… second area of most significant impact: … *(please name it)*	*(If you are setting targets in more impact areas)* …your third (and subsequent) area(s) of impact: … *(please name it)*
Alignment	☒ Yes ☐ In progress ☐ No	☒ Yes ☐ In progress ☐ No	☒ Yes ☐ In progress ☐ No
Baseline	☐ Yes ☒ In progress ☐ No	☐ Yes ☒ In progress ☐ No	☐ Yes ☒ In progress ☐ No
SMART targets	☐ Yes ☒ In progress	☐ Yes ☒ In progress	☐ Yes ☒ In progress

operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

[9] Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

	☐ No	☐ No	☐ No
Action plan	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No	☐ Yes ☐ In progress ☒ No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

As of our first PRB Report, Helaba is in the process of assessing its influence on the prioritised impact areas. Our aim is to establish two specific goals, which will be published in the following reports.	*Links and references*

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers[10] in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities[11]). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

	Links and references
Helaba actively engages with corporate customers and the Savings Banks to promote the ESG transformation. We view ESG not merely as a regulatory requirement but as an opportunity to deepen customer relationships and drive sustainable business growth. Helaba aims to build a responsible business by observing applicable laws and internal guidelines, ensured through an effective compliance system. This approach ensures that we operate in the public interest, prevent criminal activity and contribute positively beyond our core business.	*Sustainability Report '22, p. 7,8*
Helaba has adopted a Code of Conduct that provides guidance to its employees, customers and the public on responsible behaviour in daily business and regarding its products. This code addresses various issues, including dealing with conflicts of interest, insider knowledge, white collar crime prevention, data protection, transparency, corruption, fair competition and tax compliance.	*Code of conduct '17, p.5 ff*
Further, we support our customers in the social and ecological realignment of their business through our transformation financing. With more than 20 different ESG products, including green and social loans, ESG-linked loans and sustainable development loans, we create incentives for our customers to achieve more sustainability. We have also established a dedicated Sustainable Finance Advisory team that helps our customers to develop solutions that	*Sustainability Report '22, p. 16*

satisfy their exact sustainability-related financing needs. The Helaba Green Bond Framework defines the criteria for the issuance of green bonds. The framework meets the very highest market standards: the ICMA Green Bond Principles and the EU Green Bond Standard. As a result, the issue proceeds from green bonds are used exclusively to finance renewable energy projects that are based on the EU taxonomy and contribute to the advancement of SDG 7 – Affordable and clean energy. Helaba actively seeks dialogue with its stakeholders to enhance its business and sustainability strategy, engaging in various formats and initiatives such as its materiality assessment that is regularly updated.	

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

	Links and references
Helaba recognises that its most significant contribution to the transition towards a carbon-neutral circular economy lies within its core business - lending. We are directing our credit flows towards sustainable economic sectors and projects, and supporting our customers in their social and ecological realignment. We view the financial sector as pivotal in steering capital flows to generate sustainable added value. Regulations such as the European Green Deal and the EU taxonomy emphasise the importance of sustainability as a core economic strategy for the future.	*Sustainability Report '22, p. 16, 26ff.*
Helaba is actively expanding its portfolio of innovative and customised ESG products. Our ESG product portfolio encompasses more than 20 different financing options, including ESG-linked loans, investment loans with a specified sustainable use of funds, green promissory notes and bonds, and project-specific financing in areas like energy, water, waste disposal, recycling, transport, and social and digital infrastructure. With the introduction of its Sustainable Lending Framework in 2022, Helaba laid the groundwork for measuring and ultimately increasing the share of our sustainable business in line with our strategic objective. At present, Helaba is making a positive contribution to at least ten SDGs, including especially SDG 7 (affordable and clean energy), SDG 11 (sustainable cities and communities) and SDG 16 (peace, justice and strong institutions). The particular focus on these three SDGs in Helaba's business portfolio is based on our extensive activities in the area of general services, i.e. in financing public-sector administration, the	*Sustainability Report '22, p. 33*

[10] A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.
[11] Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

property and housing industry, and the energy, water and recycling sector. At 31 December 2022, the total volume of sustainable finance in Helaba's portfolio stood at € 74.4 bn, representing 46 % of the total business volume assessed.	

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups[12]) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Helaba employs a systematic approach to identifying stakeholders based on their influence on our operations and our influence on them. We actively engage with our customers to understand their needs and expectations, especially in the context of sustainable finance and ESG-related products. Helaba maintains an open dialogue with regulators and policymakers to stay abreast of evolving sustainability regulations and ensure our compliance. Collaborating with non-governmental organisations helps us gain insights into societal expectations and emerging sustainability trends, and we are active members of various industry associations, which allows us to collaborate on best practices and industry standards. Insights and feedback from our stakeholder engagement directly feed into our action planning process. This ensures that our sustainability initiatives are aligned with stakeholder expectations and industry best practices.	*Links and references* *Sustainability Report '22, pp. 16-18, 66-67*

[12] Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

We also regularly report on business performance to the Supervisory Board, which has the highest-ranking control function and is composed of employee, political and business representatives.	

Principle 5:
Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☐ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

The Sustainability Management unit, established in 2022 and headed by the Chief Sustainability Officer (CSO), manages sustainability matters at the strategic level for the Helaba Group and aims to ensure continuous progress in this area. The sustainability programme HelabaSustained was founded in 2020. The goal of this programme is to enhance the sustainability profile of the Helaba Group and make it fit for the future. A steering committee comprising members of the Executive Board plus division managers, heads of department and managing directors from key subsidiaries monitors and guides progress. For all queries related to the Code of Conduct, the Compliance Money Laundering and Fraud Prevention department serves as the point of contact, and we have established a whistleblowing system (WhistProtect®) that allows employees to report potentially unlawful transactions. Employees can contact a neutral ombudsperson anonymously and confidentially through various communication channels.	*Links and references* *Annual Report '22, p.16* *Sustainability Report '22, pp. 17, 48-50* *Annual Report '22, p.75* *Code of Conduct '17*

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

We believe that our employees play a crucial role in driving our sustainability initiatives and ensuring that our bank operates responsibly. Helaba therefore invests significantly in the training and professional development of its employees. In financial year 2021, we began to develop bespoke training courses to give our employees a fundamental understanding of sustainability in Helaba's business environment. The training courses provide an overview of the central concepts involved in sustainability and sustainable finance, and focus on climate change, biodiversity and human rights, as well as ESG risk assessments and risk management, reporting, regulatory issues and impact measurement. Building on this, they explain the basic idea behind sustainable financial products and create an overview of the ESG products available at Helaba and in the wider market. In-depth modules that cover specific issues will enhance the training concept in 2023. In addition, Helaba has introduced a web-based training course on information security and data protection to be completed by every employee annually. This course provides employees with insights into cyber threats, data protection principles, and how to handle data subject requests and data protection violations. This ensures that our employees are well-versed in the importance of data protection and information security, both of which are integral to responsible banking. Helaba has developed a Corporate Citizenship concept that encompasses both the societal engagement of Helaba and its subsidiaries as institutions, and includes elements of social volunteering. The bank supports its employees' involvement in ecological and social projects by granting them up to two days off per year to participate in such initiatives. Helaba aims to expand its social volunteering activities across the Group, in collaboration with its employees, to at least 1,000 days per year by 2025.	*Links and references* *Sustainability Report '22, pp. 13-24, 67* *Nachhaltigkeitsstrategie '23, p. 6* *Sustainability Report '22, p. 67*

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?[13] Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Helaba has developed sustainability criteria and exclusion conditions for lending that apply throughout the Group and are updated annually. By integrating exclusion criteria into our risk strategy, we have an effective tool to manage ESG risks in new business. This qualitative filter for ESG risks is a compulsory element in the regular	*Links and references* *Sustainability criteria for lending activities '22* *Annual Report '22, p. 61f.*

[13] Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

risk management process. Our due diligence processes are furthermore designed to identify and manage environmental and social risks associated with our lending activities. The potential impacts of environmental factors and climate change on repayment ability are at the forefront of our considerations and are assessed, including any risk-reducing measures taken by the borrower.	

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes ☐ In progress ☐ No

Principle 6:
Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☐ Yes ☐ Partially ☒ No

If applicable, please include the link or description of the assurance statement.

	Links and references

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

☒ GRI

☐ SASB

☐ CDP

☐ IFRS Sustainability Disclosure Standards (to be published)

☐ TCFD

☐ Other: ….

	Links and references

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis[14], target setting[15] and governance structure for implementing the PRB)? Please describe briefly.

At Helaba, we are dedicated to continuously advancing our sustainability efforts. Building on our established foundation, we have identified three most significant impact areas that will be at the forefront of our next steps. To gain a comprehensive understanding of these areas, we will expand our impact analysis, delving deeper into the intricacies of each sector. This will enable us to measure	*Links and references* *Sustainability Report '22, pp. 13-24* *Nachhaltigkeitsstrategie '23*

[14] For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

[15] For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

our actual performance, providing a clear picture of where we stand and where improvements are needed. Based on the insights garnered from this in-depth analysis, we are committed to setting SMART targets for two of the three significant impact areas. These targets will be precise, measurable, achievable, relevant and time-bound, ensuring that our objectives are both ambitious and attainable. To ensure the successful realisation of these targets, we will develop detailed action plans, outlining the strategies and measures necessary to achieve our goals.	

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

☐ Embedding PRB oversight into governance

☐ Gaining or maintaining momentum in the bank

☐ Getting started: where to start and what to focus on in the beginning

☐ Conducting an impact analysis

☐ Assessing negative environmental and social impacts

☐ Choosing the right performance measurement methodology/ies

☐ Setting targets

☐ Other: …

☐ Customer engagement

☐ Stakeholder engagement

☐ Data availability

☐ Data quality

☐ Access to resources

☐ Reporting

☐ Assurance

☐ Prioritizing actions internally

If desired, you can elaborate on challenges and how you are tackling these:

Annex

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators. Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below. [16] The Theory of Change shows the **pathway to impact** and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found here, the Theory of Change for financial health & inclusion can be found here.

How to use: Both practice (action, outcome and output) and impact performance need to be understood because practice is the conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity. The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets[17] (highlighted in green) or to client engagement[18] targets (highlighted in blue), which enable your overall target. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure your performance and baseline.[19] Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

[16] It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

[17] Financial targets also aim for real economy outcomes but are not directly expressed as such. Instead, they are expressed with financial indicators and metrics, e.g., to redirect flows of lending and investments to sectors, activities or projects aligned with SDGs and/or related to the selected impact area. Banks can also set financial targets related to specific types of customers e.g., low-income customers or female entrepreneurs.

[18] Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

[19] You might not be able to report on all indicators and/or or levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.

➔ **For Signatories of the Net-Zero Banking Alliance**: please report on the climate targets set as required in the Guidelines for Climate Target Setting. As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.

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➔ **For Signatories of the Collective Commitment to Financial Health & Inclusion**: please report on financial health and/or financial inclusion targets set as required in the Financial Health and Inclusion Commitment Statement. As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the Guidance on Target Setting for Financial Health and Inclusion and the Core Indicators to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

Impact area	Practice[20] (pathway to impact)									Impact[21]		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	**Climate strategy:** Does your bank have a climate strategy in place?	Yes / In progress / No	A.2.1	**Client engagement process:** Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (*for business clients*), or towards low(er)-carbon practices (*for retail clients*)?	Yes / Setting it up / No; *If yes:* Please specify for which clients (types of clients, sectors, geography, number of clients etc.)	A.3.1	**Financial volume of green assets/low-carbon technologies:** How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio; *please specify* the definition of green assets and low-carbon technologies used	A.4.1	**Reduction of GHG emissions:** how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO_2e (or applicable metrics)[22]
	A.1.2	**Paris alignment target:** Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes / In progress / No; *If yes:* - please specify: to become **net zero by when**? - **Emissions baseline / base year**: What is the emissions baseline / base year for your target? - **Climate scenario used:** What climate scenario(s) aligned with the	A.2.2	**Absolute financed emissions**: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio?	Total GHG emissions or CO_2e (*please also disclose what is excluded for now and why*)	A.3.2	**Financial volume lent to / invested in carbon intensive sectors and activities and transition finance:** How much does your bank lend to / invest in carbon-intensive sectors and activities[23]? How much does your bank	bln/mn USD or local currency, and/or % of portfolio	A.4.2	**Portfolio alignment:** How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	% of portfolio (*please specify which portfolio; for corporate and business clients: % of sectors financed*)

[20] Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

[21] Impact: the actual impact of the bank's portfolio

[22] If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

[23] A list of carbon-intensive sectors can be found in the Guidelines for Climate Target Setting.

			Paris climate goals has your bank used?					invest in transition finance[24]?				
	A.1.3	**Policy and process for client relationships:** has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes / In progress / No	A.2.3	**Sector-specific emission intensity** (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please specify which sector (*depending on the sector and/or chosen metric*): kg of CO_2e/ kWh, CO_2e / m2; kg of CO_2e/USD invested, or kg of CO_2e/revenue or profit						
	A.1.4	**Portfolio analysis:** Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes / In progress / No; *If yes:* please specify which parts of the lending and investment portfolio you have analyzed	A.2.4	**Proportion of financed emissions covered by a decarbonization target:** What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with a transition plan in place?	% *(denominator: financed emissions in scope of the target set)*						

[24] Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

	A.1.5	**Business opportunities and financial products:** Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for									
B. Financial health	B.1.1 *	# of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc.	B.2.1 *	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is successful in generating the	B.3.1 *	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	B.4.1	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.

						desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.						
	B.1.2*	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank pri-	B.2.2*	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools)	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	Transactional and/or survey data based. Measures the percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualize, through the transactions of the customer, the results of the plan.	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	Survey and/or transactional data based. Measures the percentage of customers with a transaction account and/or savings/investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to the total of customers within PRB scope. Focus on main financial institution customers.

			oritizes in the training program due to their direct impact on the customers' financial health									
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.				B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By confident we mean not feeling worried about their financial situation.
							B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans ("past due" defined by policies at each bank) compared to the total amount of customers with loans in the bank's lending portfolio.	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products connected to long-term saving and investment plans. "Long-term" will depend on each bank's definition.
							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts balances, quarter	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected

									on quarter.			expense. We consider a major unexpected expense, one that the customer hadn't planned for and would require them to spend more than what they have available for secondary expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.
C. Financial Inclusion	C.1.1 *	# of products and services in the portfolio with a focus on financial inclusion	Internal data based. Measures how many of the products and services in the portfolio have a financial inclusion focus. We deem a product or service to have this	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered	C.3.1 *	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	Transactional data based. Measures the percentage of customers with 2 or more active financial products, from different categories, with the bank. By active

			focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account, low interest microloan, offline access or sim-based banking apps, etc			by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.			by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.			we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.
	C.1.2*	% of relevant employees supported with effective training on financial inclusion, responsi-	Based on internal data. Measures the percentage of relevant employees supported with effective training on	C.2.2	% of customers with effective access to a basic banking product	Transactional data based. Measures the percentage of customers with effective access	C.3.2	% of customers supported with dedicated customer journey/advisory services	"Transactional data based. Where dedicated customer journey/advisory services are in place			

		ble credit and/or financial health	financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			to a basic banking product. By effective we mean the usage beyond first access. Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-money accounts, etc.			for prioritized groups , this indicator measures the percentage of customers using such services. Depending on size of bank, either number or percentage can be the unit of measure.			
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.	C.2.3	# of new customers per month	Transactional data based. Measures the number of new customers per month. Once the bank sets a target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.	C.3.3 *	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools, if applicable)			

Tabelle 1

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