Sustainable Investment Framework

Short version (12th December 2023)

Values with impact.

Publisher:

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1 Background

1.1 The Helaba Group

Helaba is a credit institution organised under public law with the long-term strategic business model of a full-service bank and a commitment to operating sustainably; 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 serves its customers in three functions:

- As a **commercial bank**, Helaba operates in Germany and abroad. Helaba maintains stable, long-term relationships with enterprises, institutional customers, the public sector and municipal corporations. Helaba is also the regional market leader in retail banking through its subsidiary **Frankfurter Sparkasse** and has a presence in the field of direct banking in the form of 1822direkt. **Landesbausparkasse Hessen-Thüringen (LBS)**, a legally dependent unit of Helaba, uses the Sparkassen as sales partners and holds a leading market position in the home loans and savings business in Hesse and Thuringia. Home loans and savings investment gives low and middle income groups in particular access to loans and promotes the creation of affordable housing.
- Helaba is a **savings bank central bank and S-Group bank** for the Savings Banks in Hesse, Thuringia, North Rhine-Westphalia and Brandenburg and, therefore, for about 40% of all Savings Banks in Germany. As a partner to the Savings Banks, Helaba provides high-quality financial products and services.
- Helaba administers public-sector development programmes through Wirtschafts- und Infrastrukturbank Hessen (WIBank) in its capacity as the central **development institution** of the State of Hesse.

Additionally, the Helaba business model includes further strong, well-known brands that complement the Helaba Group's product portfolio:

- The wholly owned subsidiary **Helaba Invest** is one of Germany's leading institutional asset management companies. Helaba Invest's business model comprises the Asset Management for Liquid Asset Classes, Asset Management for Illiquid Asset Classes, and Administration divisions. The Asset Management for Liquid Asset Classes division focuses on equities, bonds and multi-assets in the form of retail and special funds. This offering is supplemented by real estate investments and alternative asset classes in the Asset Management for Illiquid Asset Classes division. Helaba Invest's Administration division offers its customers comprehensive administration services for their funds, from accounting and risk management to performance measurement and reporting. Helaba Invest is a signatory to the Principles for Responsible Investment (PRI) and CDP (formerly the Carbon Disclosure Project).
- **Frankfurter Bankgesellschaft (FBG)** provides Helaba's products and services for Savings Banks in private banking and in the wealth and asset management businesses. Frankfurter Bankgesellschaft focuses on advising wealthy private clients and family-owned companies on investing their assets.

1.2 Sustainability at the Helaba Group

Helaba's overriding commitment to sustainability is set out in the Treaty on the Formation of a Joint Savings Banks Association Hesse-Thuringia, which requires it to operate in the public interest. Responsibility for society and the natural environment thus defines Helaba's business model.

Sustainability has long been a core element of Helaba's binding Group-wide business strategy. The sustainability strategy is part of the business strategy and has been approved by Helaba's Executive Board, the Supervisory Board and the Board of Public Owners. It is embedded in the bank's management processes and is binding for the entire Group, reviewed annually and updated when necessary.

Commitment to environmental and climate protection and respect for human rights

In the guiding principles on sustainability that apply throughout the Group, Helaba acknowledges its environmental and social responsibilities and lays down standards of conduct for the areas of business interests, business operations, staff and corporate social responsibility. Helaba has pledged its commitment to the objectives of the Paris Agreement and the climate objectives of the German federal government[1] and the European Union[2]. Attention is

[1] Climate neutrality by 2045.

[2] Climate neutrality by 2050.

focused on ensuring that its core business is oriented around sustainability and therefore that customers are supported in the necessary transformation to a climate-neutral, socially sustainable economy.

In addition, Helaba supports the Ten Principles of the United Nations Global Compact and is thus committed to upholding international standards for environmental protection, human and labour rights, and anti-corruption measures. At both national and international level, Helaba applies the Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organization (ILO) as overarching principles for all its business activities 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 has voluntarily signed the Diversity Charter, thus underscoring its mission to promote a corporate culture that is without prejudice or discrimination.

Sustainability management

Helaba's Executive Board has overall responsibility for sustainability. It is supported in this by Sustainability Management, part of Group Steering. The position of Chief Sustainability Officer (CSO) was created in order to address the importance of the Helaba Group's need to operate on a sustainable basis and thereby ensure its future viability.

A governance structure has been created to coordinate the Helaba Group's sustainability activities. As part of that, the Sustainability Board acts as a committee of the overall Executive Board. The Sustainability Steering Committee serves as an operational body within Helaba Bank. A Group-wide body at management level, the Group Sustainability Roundtable, was established to coordinate and harmonise company-specific further development on sustainability-related topics. The Group Sustainability Committee (GSC), which is composed of the sustainability officers of Helaba and its independent and dependent subsidiaries, was set up to coordinate sustainability activities throughout the Group.

In order to accelerate its transformation into a leading bank in the area of sustainability, Helaba launched the comprehensive HelabaSustained programme at the end of 2020, in which all relevant units and divisions of the Group are integrated. Helaba has established several clusters and working groups to tackle its key sustainability issues in a systematic and holistic manner. The aim is to strengthen Helaba in the market and in the face of competition and to implement the various regulatory and political ESG-related requirements throughout the Group. The HelabaSustained programme was ended effective 31 October 2023 and the topics were transferred to the line and to follow-up projects.

More information on sustainability management can be found at Helaba - Sustainability at a glance

Sustainability goals and strategy

Helaba was guided by the UN Sustainable Development Goals in formulating and structuring its sustainability goals. The five goals are presented below according to whether they relate to environmental, social or governance objectives:

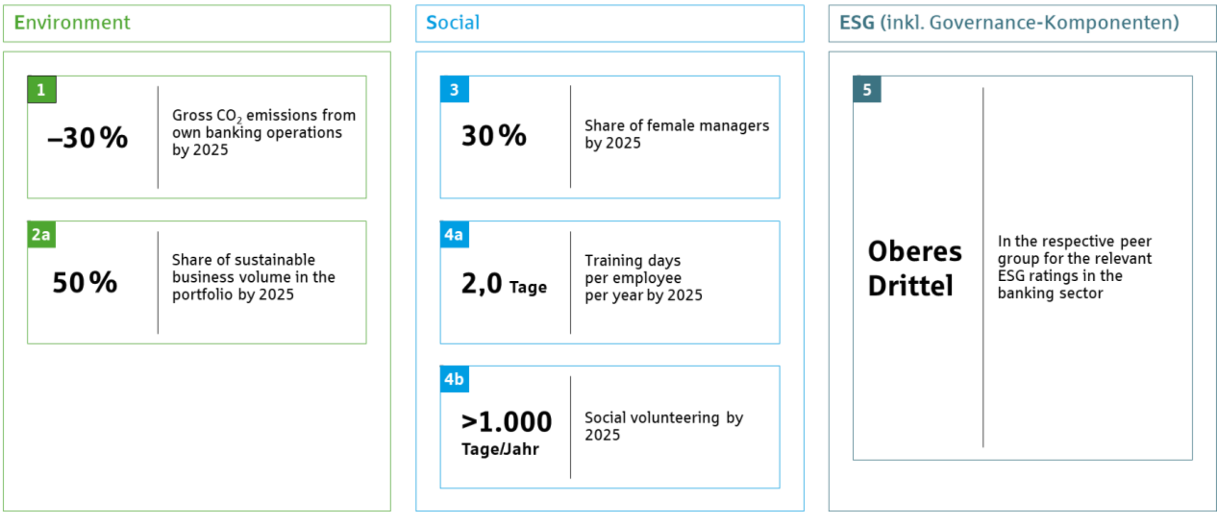


Figure 1: The Helaba Group's ESG goals

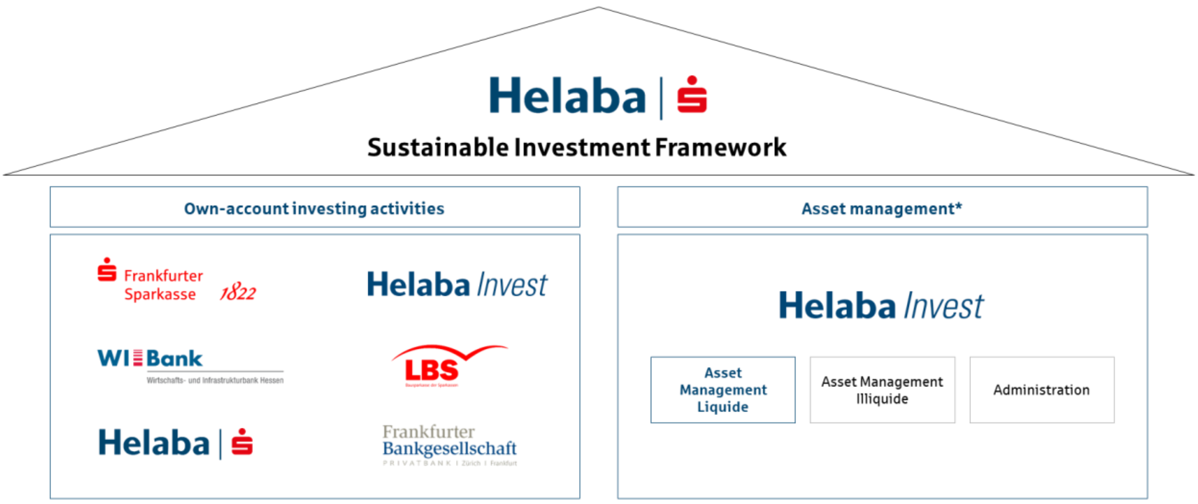
The sustainability goals are operationalised using appropriate key performance indicators. Helaba uses the Sustainable Investment Framework to assess its investments from a sustainability perspective and measures the proportion of sustainable investments relative to the total volume of investments.

2 Goals and scope of application

The Sustainable Investment Framework specifies Helaba's sustainability strategy for the area of investment and, along with the Sustainable Lending Framework and the Green Bond Framework, is thus a further pillar in Helaba's Sustainable Finance Framework. It supplements the existing sustainability criteria for own-account investing activities and asset management. Further relevant requirements in this regard are defined in Helaba's guidelines Sustainability Criteria for Lending Activities and the ESG Investment Policy of Helaba Invest.

2.1 Goals

The Sustainable Investment Framework defines Group-wide criteria for assessing sustainable investments and thus enables their volume to be measured and managed. Helaba uses the Sustainable Investment Framework to assess its investments from a sustainability perspective and, all other things being equal, aims to achieve a measurable increase in sustainable investments.



* In relation to asset management, the Sustainable Investment Framework's scope of application is confined to Helaba Invest's Asset Management for Liquid Asset Classes division.

Figure 2: Scope of application of the Sustainable Investment Framework

2.2 Scope of application

The Sustainable Investment Framework applies to the own-account investing activities of Helaba, including WIBank, LBS, Helaba Invest, Frankfurter Bankgesellschaft and Frankfurter Sparkasse, as well as to parts of asset management. Within asset management, this framework's scope of application is confined to funds of Helaba Invest's Asset Management for Liquid Asset Classes division. It also applies exclusively to funds that are within Helaba Invest's sphere of influence. In principle, the Sustainable Investment Framework does not apply to capital instruments of a passive nature (e.g. ETFs, index derivatives) or passive investment strategies (e.g. index tracking, enhanced concepts). Wealth management, which within Helaba is essentially located at Frankfurter Bankgesellschaft, is geared towards the requirements of the Sparkassen-Finanzgruppe. This division does not therefore fall within the scope of the Sustainable Investment Framework. Requirements relating to sustainability in wealth management are defined in the Asset Management Policy of Frankfurter Bankgesellschaft.

The regulations of the Sustainable Investment Framework only apply to new business. Existing investments and follow-on investments for existing investments and funds are subject to grandfathering and are therefore exempt from the regulations.

3 General exclusion criteria

The Helaba Group sees itself as an active partner in the economy's transformation. Accordingly, it wants to support and accompany enterprises in the transition to a more sustainable business model instead of categorically excluding them as an investment.

Irrespective of that, there are circumstances where an investment by the Helaba Group is ruled out in principle. They are described in the general exclusion criteria. The general exclusion criteria apply as minimum standards for an investment. Enterprises that fail to meet this minimum requirement are excluded as an investment as part of new business.

3.1 Own-account investing activities

The general exclusion criteria for own-account investing activities are geared towards Helaba's credit risk strategy and are presented in the table below.

Helaba Invest's own-account investing activities are exempt from these requirements. Helaba Invest invests its own resources in proprietary funds, which is why the requirements relating to asset management (see sections 3.2 and 5) are relevant to that. The requirements of this framework for asset management (see sections 3.2 and 5) also apply to own-account investing activities that are managed by Helaba Invest on behalf of Helaba.

Business segments	General exclusion criteria for own-account investing
Agricultural commodities	
Speculative transactions involving agricultural commodities	Excluded in principle.
Armaments	
Production of controversial weapons (cluster munitions, land mines and biological, chemical and nuclear weapons)	Excluded in principle.
Gambling	
Controversial forms of gambling	Operators of casinos or betting shops and manufacturers of gaming machines are excluded in principle.
Online gambling	Online gambling activities are excluded.
Pornography	
Pornography	Producers of pornographic content are excluded in principle.
Power generation	

Coal mining and coal-based power generation	No investments in enterprises whose main business activities are associated with coal-based energy.
Nuclear power	No investments in enterprises whose main business activities are associated with nuclear power.
Uranium	No investments in enterprises whose main business activities are associated with the uranium enrichment plants, uranium mining or the reprocessing of spent nuclear fuels.
Oil and gas production/mining	
Oil and tar sands	Excluded in principle.
Arctic drilling	
Fracking	

Figure 3: Full overview of the general exclusion criteria for own-account investing activities

The general exclusion criteria for own-account investing activities are reviewed annually. If the exclusions are violated, the investment is disqualified from potential new business. Existing investments are subject to a critical review if the general exclusion criteria are violated.

3.2 Asset management

The general exclusion criteria for asset management, including the respective sales limits, are specified in the table below.

Business segments	General exclusion criteria for asset management
Foodstuffs	
Derivatives whose underlying assets are foodstuffs	Excluded in principle.
Armaments	
Production of controversial weapons (cluster munitions, land mines and biological, chemical and nuclear weapons)	Excluded in principle.
Pornography	
Pornography	Sales > 5%
Power generation	
Coal mining and coal-based power generation	Sales > 25%
Uranium mining and distribution	Sales > 10%
Oil and gas production/mining	
Oil and tar sands	Sales > 5%
Arctic drilling	Sales > 5%
Fracking	Sales > 5%

Figure 4: Full overview of the general exclusion criteria for asset management

Compliance with the general exclusion criteria for asset management is examined before the investment is made and reviewed continuously during the investment period. If there is a violation of the general exclusion criteria during the investment period, the investment is sold.

4 Classification of sustainable own-account investing acitivities

The exclusion criteria stated in section 3.1, which are examined by Helaba's credit risk management at the customer or issuer level, apply equally to lending and bond buying. Accordingly, an enterprise, a bank or a (sub-)governmental entity is screened according to the same process, irrespective of whether Helaba acts as a lender to it or as a bond purchaser. If a potential borrower or bond issuer violates the exclusion criteria, Helaba does not extend a loan or invest in the issuer's bonds. The results of the assessment process are stored centrally and are the central point of reference for lending and investment activities. Credit Risk Management is responsible for the assessment, which is conducted at least once a year and in which compliance with Helaba's current ESG criteria is reviewed. No new investments are made in enterprises that do not meet the minimum requirements or are excluded from the investment universe.

Based on the exclusion criteria, this framework defines two types of own-account investing activities that are considered sustainable under the Sustainable Investment Framework:

1. Investments in green, social or sustainability-linked bonds in accordance with the ICMA standards
2. Investments in government, bank or corporate bonds that are considered sustainable in accordance with Helaba's own definition

The specific requirements for these two categories of sustainable own-account investing activities are described below.

4.1 Sustainable investments in accordance with the ICMA standards

Investments in **green bonds, social bonds and sustainability-linked bonds** are classified as sustainable if the issuers meet the exclusion criteria and the applicable principles of the International Capital Market Association (ICMA). If it is not possible to examine whether the standards are applied, the respective bonds cannot be categorised as sustainable.

4.2 Sustainable investments in accordance with Helaba's own methodology

Following the classification logic of the Sustainable Lending Framework for general financing, Helaba has defined its own positive contribution criteria for sustainable corporate, bank and government bonds (see Helaba's Sustainable Lending Framework, page 12 et seq.: "Method for identifying sustainable lending activities" – Step 4: Economic sectors that contribute to SDGs). This ensures consistency between lending business and own-account investing activities (see Chapter 7).
Accordingly, own-account investing activities are considered sustainable if one of the following positive contribution criteria is met:

- **Sustainable corporate bond (in accordance with Helaba's own definition):** Investments in corporate bonds are classified as sustainable if the enterprise makes a substantial contribution to the United Nations Sustainable Development Goals (SDGs) and the German Sustainable Development Strategy due to the fact that it belongs to a specific economic sector. The economic sectors of the enterprises invested in are weighted with an SDG factor, which has been determined using the set of indicators for the German Sustainable Development Strategy of the Federal Statistical Office. Details on the allocation and weighting of the individual economic sectors can be found in the Annex to the Sustainable Lending Framework. As a result, some economic sectors (e.g. real estate and housing or energy supply) are not assessed as fully sustainable and are therefore only included in the volume of sustainable investments (or loans) on a pro rata basis. The SDG factor is replaced by the enterprises' taxonomy ratios as soon as these are available.
- **Sustainable bank bond (in accordance with Helaba's own definition):** Investments in bank bonds are classified as sustainable if the institutions are a development bank. Loans to development banks are also regarded as sustainable.
- **Sustainable government bond (in accordance with Helaba's own definition):** Investments in bonds from government and other public issuers are considered sustainable if the issuer is domiciled in a country with an overall score of very low or low according to the Index for Risk Management (INFORM) and is also a signatory to the Paris Agreement.

Sustainable own-account investing activities

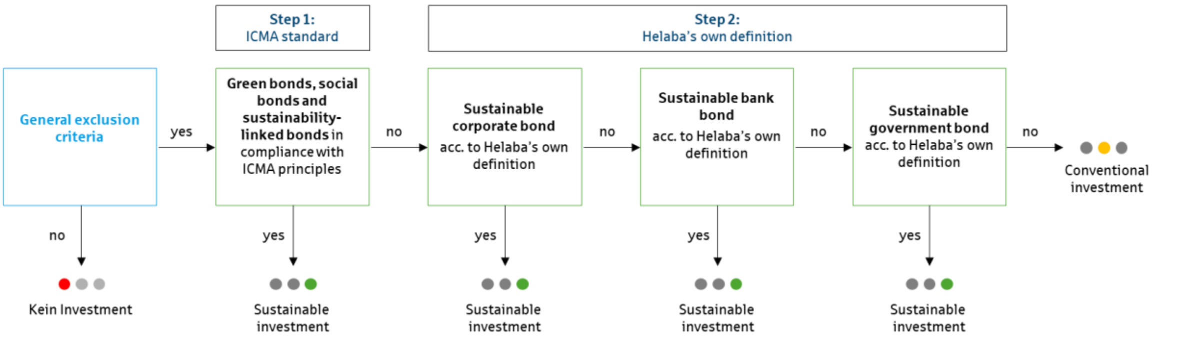


Figure 5: Full overview of the classification of sustainable own-account investing activities

5 Classification of sustainable investments in asset management

In contrast to own-account investing activities, asset management does not base its classification of investments on the Sustainable Lending Framework, but instead builds on existing processes in this field and conducts the screening on the basis of data from an external service provider. The regulatory requirements, in particular the EU Sustainable Finance Disclosure Regulation, form the starting point and also constitute the minimum requirements. In the current environment, it can be assumed that the regulatory framework will be subject to dynamic change, which could result in a need for future adjustments to the classification logic.

To ensure the Helaba Group's level of ambition, the Sustainable Investment Framework defines minimum standards for sustainable investments in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation for asset management that go beyond the regulatory disclosure requirements. These minimum requirements exceed the general exclusion criteria for all investments by the Helaba Group and relate to compliance with good corporate governance practices, consideration of environmental or social aspects and a positive sustainability contribution for some of the investments. In order to operationalise these minimum standards, screening criteria have been developed to ensure good corporate governance practices, the consideration of ecological or social aspects and the positive contribution. The criteria are shown in the overview below and are continuously reviewed.

- The **governance test** defines criteria for examining compliance with good corporate governance practices. Compliance with these criteria is examined before the investment is made and reviewed continuously during the investment period. If an enterprise violates the criteria of the governance test (serious violation of the principles of the UN Global Compact or serious ESG controversy, termed a red flag), it can no longer be classified as a sustainable investment.
- The **sustainability-related exclusion criteria** [Do No Significant Harm (DNSH) criteria] are criteria for the consideration of environmental or social aspects. The aim is to ensure that ecological and social components are taken into sufficient account in a sustainable fund. Compliance with the sustainability-related exclusion criteria is examined before the investment is made and reviewed continuously during the investment period. If there is a violation of the sustainability-related exclusion criteria, the investment can no longer be classified as sustainable.

General exclusion criteria, governance test and DNSH criteria for asset management		
	General exclusion criteria	Sustainability-related exclusion criteria (DNSH criteria)
Governance-Test		
Principles of the UN Global Compact	–	Serious violations
ESG controversies	–	Serious ESG controversies (red flags acc. to MSCI)
Geschäftsfelder		
Foodstuffs		
Derivatives whose underlying assets are foodstuffs	Excluded in principle.	
Armaments		
Production of controversial weapons (cluster munitions, land mines and biological, chemical and nuclear weapons)	Excluded in principle.	
Military equipment	–	Sales > 10%

Production of civil arms	–	Sales > 1%
Distribution of civil arms	–	Sales > 1%
Tobacco		
Tobacco production	–	Sales > 1%
Distribution of and activities connected with tobacco	–	Sales > 5%
Gambling		
Controversial forms of gambling	–	Sales > 1%
Activities in connection with controversial forms of gambling	–	Sales > 5%
Pornography		
Pornography	Sales > 5%	Sales > 1%
Power generation		
Coal mining and coal-based power generation	Sales > 25%	Sales > 10%
Uranium mining and distribution	Sales > 10%	
Oil and gas production/mining		
Oil and tar sands	Sales > 5%	
Arctic drilling	Sales > 5%	
Fracking	Sales > 5%	

Figure 6: Full overview of the exclusion criteria, the governance test and the DNSH criteria for asset management

Classification of sustainable investments under Helaba's Sustainable Investment Framework in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation

In order to be classified as a **sustainable investment under Helaba's Sustainable Investment Framework and in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation**, all enterprises in a **retail fund** must meet the general exclusion criteria and pass the governance test. In addition, 75 percent of the fund must meet the sustainability-related exclusion criteria (DNSH criteria). An exception to these regulations exists for enterprises for which no data can yet be furnished by external data providers. These enterprises do not undergo any of the above-mentioned screening steps and can only be included in the part of the fund that does not have to meet the sustainability-related exclusion criteria. Nevertheless, we also endeavour to implement our sustainability requirements for these enterprises. With regard to data availability, it can be assumed that this will steadily improve in the future and that the ratio of enterprises for which no data is available will decrease. In addition, enterprises that together account for at least five percent of the total fund volume must have adopted an emissions reduction target that has been validated by the Science-Based Targets initiative (SBTi) or generate at least 20 per cent of their sales from economic activities that create environmental or social added value (*positive contribution* criterion). These are regarded as economic activities in the following sectors:[3]

- Climate change: Alternative energies, carbon and energy efficiency, green building, climate adaptation
- Natural capital: Sustainable water, avoidance of environmental pollution, sustainable agriculture
- Basic needs: Food, treatment of serious diseases, waste water disposal, affordable land ownership
- Empowerment: SME financing, education, digital divide.

[3] Definition of the positive contribution criterion based on MSCI SFDR Article 2 (17) of the-Sustainable Investment Methodology.

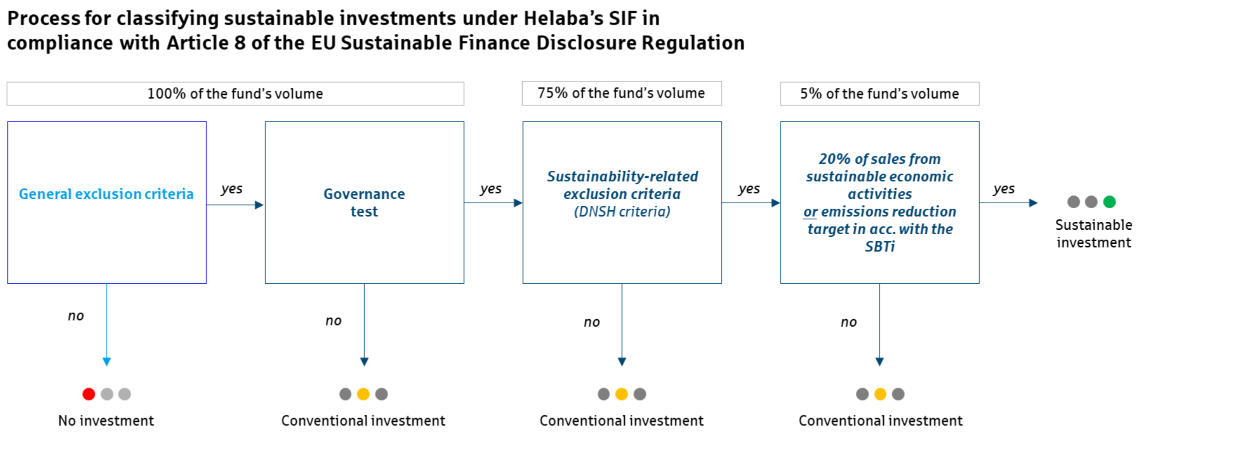


Figure 7: Process for classifying sustainable investments under Helaba's SIF in compliance with Article 8 of the EU Sustainable Finance Disclosure Regulation

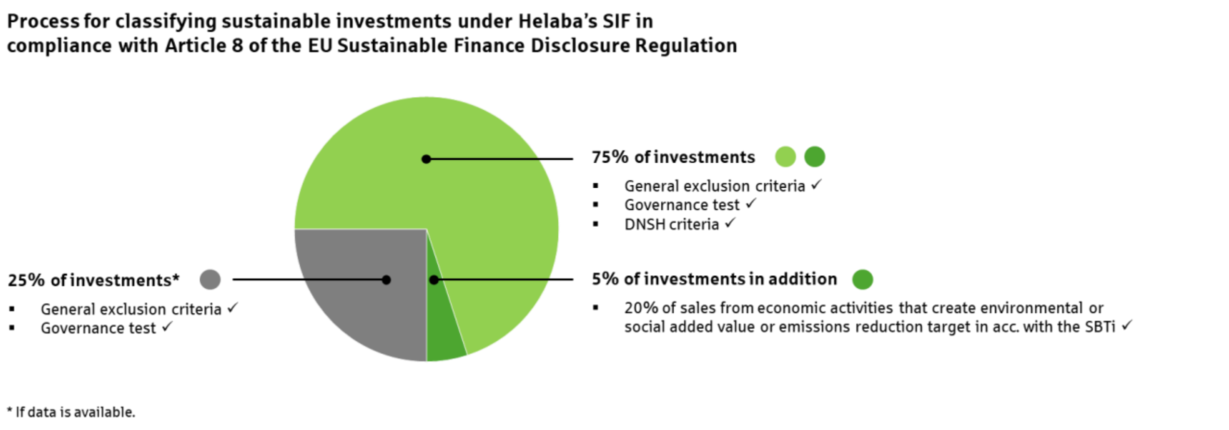


Figure 8: Composition of sustainable investments under Helaba's SIF in compliance with Article 8 of the EU Sustainable Finance Disclosure Regulation

In the case of **self-managed special funds or special fund segments**, active efforts are made to ensure that the criteria of the Sustainable Investment Framework are applied. If the customer consents to its application, the requirements set out for retail funds must be met in order to be considered sustainable in accordance with Helaba's Sustainable Investment Framework.
However, if the customer uses a sustainability strategy that deviates from the Sustainable Investment Framework, the criteria of the Sustainable Investment Framework do not apply.

In the case of retail funds, all sustainability-related information, including the investment strategy pursued for each sustainable retail fund, is publicly available in the "Basic Information Leaflet" on Helaba Invest's website. It describes whether the product pursues a passive or an active investment strategy. In the case of self-managed special funds, this information is disclosed to the customer in accordance with the provisions of the EU Sustainable Finance Disclosure Regulation.

Classification of green bonds, social bonds and sustainability-linked bonds

Investments in **green Bonds, social bonds and sustainability-linked bonds** do not have to go through the screening process for the general exclusion criteria, but are classified directly as sustainable if they comply with the applicable principles of the International Capital Market Association (ICMA). If it is not possible to examine whether the standards are applied, the respective bonds cannot be categorised as sustainable.

6 Active Ownership

Active ownership" denotes the active exercise of shareholder rights. This includes both conscious, constructive and goal-oriented dialogue with enterprises (engagement, see section 6.1) and the exercise of voting rights at Annual General Meetings (see section 6.2). The regulations specified below define a consistent approach for the Helaba Group. They are reviewed at appropriate intervals to ensure that they are up to date and appropriate and are modified if necessary.

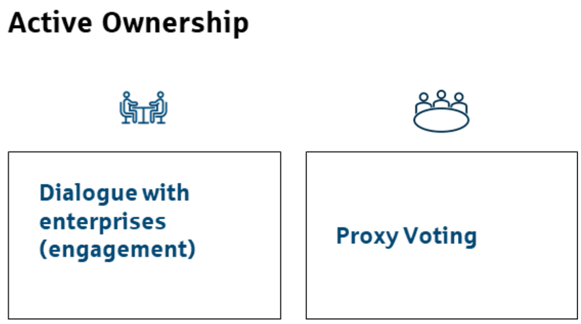


Figure 9: Dimensions of active ownership

Active ownership is relevant for the Helaba Group in the area of asset management and thus concerns Helaba Invest in its capacity as the Helaba Group's asset manager. As a signatory to the UN Principles for Responsible Investment (UN PRI), Helaba Invest has voluntarily committed to seek dialogue with enterprises and to take ESG aspects into account in its engagement. By signing the UN PRI, Helaba Invest also undertakes to gear its investments towards sustainability, to encourage other market participants to invest sustainably and to report on its sustainability activities. In addition to its own in-house engagement approach, Helaba Invest uses the services of ISS ESG as an external partner in the area of engagement.

6.1 Dialogue with enterprises (engagement)

General principles

Helaba Invest's engagement activities focus on compliance with the following principles and guidelines, which are consistent with ISS ESG's standards-based engagement programme:

- Principles of the UN Global Compact
- The Universal Declaration of Human Rights
- The fundamental conventions of the UN's International Labour Organization (ILO)
- The OECD Guidelines for Multinational Enterprises
- The UN Sustainable Development Goals (SDGs)

In order to verify compliance with these principles, Helaba Invest, and ISS ESG as the partner commissioned by it, requires the enterprises in question to disclose ESG-related information in the form of a sustainability report prepared in accordance with internationally recognised standards (the Global Reporting Initiative (GRI) or European Sustainability Reporting Standards (ESRS)) or as part of the sustainability reporting in their annual report. Helaba Invest also works to ensure that enterprises it invests in provide information on compliance with relevant standards (e.g. the UN Global Compact).

Focal issus

In line with its goal of creating added value for its customers and society, and based on the conviction that only sustainable business models can be successful in the long term, Helaba Invest strives to continuously expand its investments in economically, ecologically and socially sustainable business models.
The engagement of Helaba Invest and its external partner ISS ESG focuses on the following sustainability issues:

- Climate strategy
- Human and labour rights and working conditions
- Good corporate governance, anti-corruption

Objectives of the engagement activities

Through its engagement activities, Helaba Invest makes a contribution to achievement of the climate objectives defined in the Paris Agreement and to reducing climate-related risks in its portfolio. By working to ensure compliance with international standards, Helaba Invest, in cooperation with ISS ESG, contributes to the observance of human and labour rights and the creation of humane working conditions. The overriding objective of the engagement activities is to safeguard and increase shareholder value in the interests of Helaba Invest's customers and society as a whole.

Engagement process

Helaba Invest's engagement process comprises a proactive and a reactive component.

a. Proactive engagement

Helaba Invest has established an Engagement Committee to steer its engagement activities. The committee meets monthly and acts as a forum for addressing current issues from the existing engagement activities. The committee also decides which enterprises should be involved in future engagement activities. The selection is based on an analysis of key ESG issues. Enterprises that play a significant role in the portfolio are prioritised.

b. Reactive engagement

In addition, an engagement activity can also be triggered by one of the following situations:

- Violation of the Helaba Group's Sustainable Investment Framework
- Violation of Helaba Invest's ESG Investment Policy
- Violation of individual requirements of the sustainable funds
- Violation of national or international standards
- ESG controversy
- Negative reporting

In these cases, the dialogue with the enterprises concerned aims to draw attention to grievances and bring about change. Helaba Invest's engagement process is structured as follows:

1. Proxy voting

Exercise of voting rights at the Annual General Meeting

2. Active dialogue with enterprises

First of all, the Engagement Committee decides on the issues and key objectives of the specific engagement and documents these in an Engagement Report. In the second step, Helaba Invest sets out its objectives to the enterprise in writing. In the event of an ESG controversy, Helaba Invest requests the enterprise to clarify the controversy and take measures to resolve it. In the third step, Helaba Invest agrees measures and milestones with the enterprise, which are recorded in the Engagement Report. In order to measure and manage the success of the engagement activities, the measures taken by the enterprise and the progress made are documented and regularly evaluated by the Engagement Committee. The dialogue is primarily conducted with the Investor Relations department

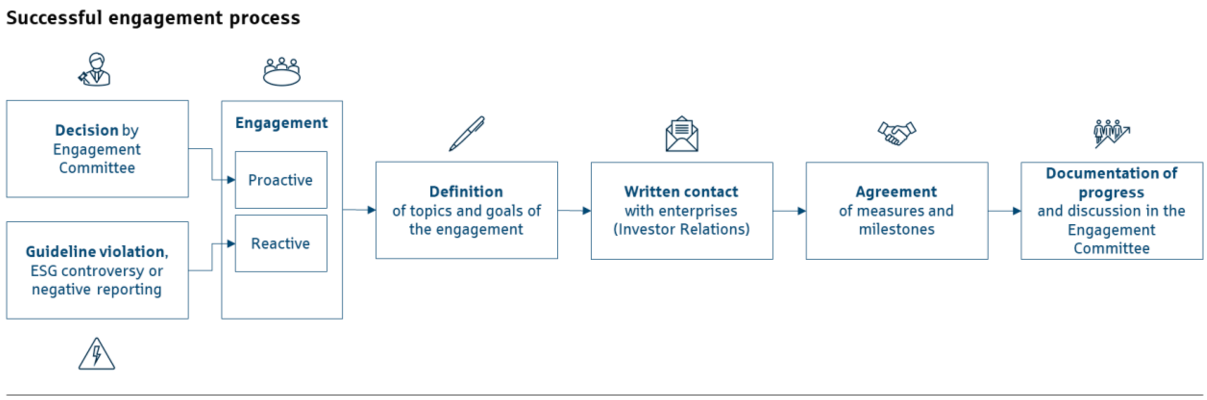


Figure 10: Full overview of the engagement process

All of Helaba Invest's engagement activities are decided on by its in-house Engagement Committee. If investment restrictions are adopted by the Engagement Committee as a result of engagement activities, Helaba Invest's portfolio managers are responsible for implementing them in the portfolios. The Engagement Committee reports annually on its activities to the Helaba Group's Sustainability Committee.

Escalation mechanism

If the engagement activities do not produce the desired results or if enterprises are not prepared to enter into dialogue and instigate measures for improvement, Helaba Invest initiates an escalation process:

1. Reminder

If the enterprise concerned does not respond to the first request for contact, Helaba Invest or ISS ESG sends it a reminder. If there is still no response, communication attempts are escalated to the enterprise's Executive Board or, in the final instance, to its Supervisory Board, in line with ISS ESG's standards-based engagement programme.

2. Investment restrictions

If the controversy cannot be resolved or if the enterprise in question is not prepared to engage in dialogue and make changes, it may ultimately be excluded from the investment univers.

Escalation mechanism

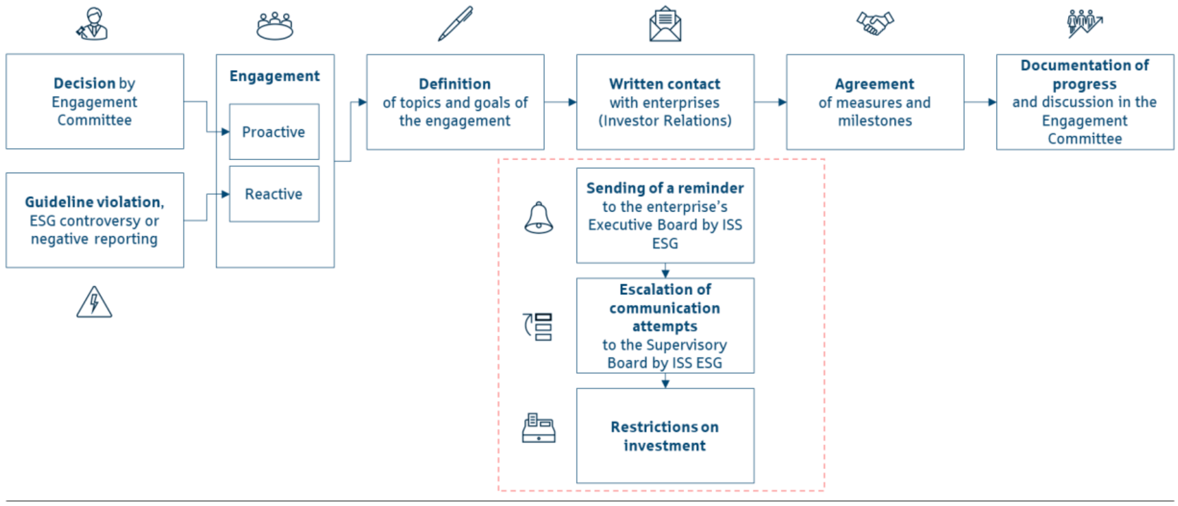


Figure 11: Full overview of the escalation mechanism as part of the engagement process

6.2 Proxy Voting

Exercise of voting rights

Helaba Invest has outsourced proxy voting to specialised partners who exercise the voting rights in accordance with Helaba Invest's stipulations and taking sustainability aspects into account. Helaba Invest has commissioned ISS Europe Ltd. (Institutional Shareholder Services) (hereinafter referred to as "ISS") to exercise voting rights in listed stock corporations and to report on its voting behaviour. In principle, all stock corporations whose cumulative holdings in all Helaba Invest funds total more than 0.25 per cent of the outstanding capital are included in that. ISS takes various sustainability guidelines, including the UN PRI, into account when it exercises voting rights. ISS' proxy voting guidelines can be found here. Helaba Invest's Asset Management Equities department is involved in the voting process. ISS informs the department in advance if the ISS voting guidelines are to be deviated from.

General principles

When exercising voting rights, Helaba Invest pays attention not only to economic returns and good corporate governance, but also to ensuring that an enterprise's activities and practices are consistent with the ESG issues on which Helaba Invest focuses.

In addition to the principles set out above (see 5.1 General principles), Helaba Invest therefore follows the following guidelines when exercising its voting rights:

- The German Capital Investment Code (KAGB)
- The AIFMD Implementing Regulation
- The Code of Conduct of the German Investment Funds Association (BVI), its analysis guidelines for Annual General Meetings, the amendments made by the German Act Implementing the Second Shareholders' Rights Directive (ARUG II), in particular to the German Stock Corporation Act (AktG)
- The German Corporate Governance Code in its latest version

Exceptions

Voting rights are not exercised in individual cases if there are significant obstacles to voting rights such as share blocking or requirements relating to proxy authorisation. At the request of the investor in a special fund, an individual proxy advisor may be mandated on a case-by-case basis.

Conflicts of interest

Helaba Invest acts in the interests of its investors and their assets. It therefore strives to avoid conflicts of interest. Conflicts of interest that could arise from the exercise of voting rights are avoided or regulated by the voting process conducted by ISS. Engagement issues and activities are based on the engagement programme and are therefore consistent for all enterprises, regardless of the specific business relationship.

7 Governance, review und reporting

Governance

Compliance with the exclusion criteria defined in this framework is systematically monitored in the investment process for own-account investing activities and for asset management. That ensures the defined criteria are applied. The dual control principle is applied – as part of existing processes – in assessing whether an investment can be categorised as sustainable in accordance with the Sustainable Investment Framework.

Overall responsibility for the Sustainable Investment Framework lies with the Helaba Group's Executive Board. Responsibility for compliance with the processes described in the Sustainable Investment Framework lies with the respective division or subsidiary. Within the Helaba Group, Sustainability Management acts as the central point of contact for the matters relating to the Sustainable Investment Framework. Contents of the framework of Group-wide relevance are discussed on Helaba's Group Sustainability Committee, in which the persons in charge of sustainability at the Helaba Group companies are represented.

Internal review

The Sustainable Investment Framework undergoes an internal review every year. The review is carried out with regard to regulatory and strategic developments and is conducted with the involvement of the division or subsidiary concerned under the direction of the Helaba Group's Sustainability Management unit. The internal review's findings are reported to the Helaba Group's Sustainability Board.

Reporting

In future, the proportion or volume of sustainable investments will be included in annual non-financial reporting. In addition, a statement on the material adverse impact of investment decisions on sustainability factors (Principal Adverse Impact (PAI) indicators) is published on the respective website at the level of the divisions or subsidiaries concerned.

The current short version of the Sustainable Investment Framework is available on the Helaba Group's website.

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