

Haspa Social Bond Framework

February 2025



Table of Content

1. Haspa at a Glance	3
1.1 Haspa is the Bank for Everyone	3
1.2 Haspa's Sustainability Approach	4
2. Rationale for the publication of the Social Bond Framework.....	6
3. Social Bond Framework.....	7
3.1 Use of Proceeds	8
3.2 Process for Project Evaluation and Selection	11
3.3 Management of Proceeds	12
3.4 Reporting.....	13
3.5 External Review	14
4. Important information	15

1. Haspa at a Glance

1.1 Haspa is the Bank for Everyone

Since its creation in 1827, Hamburger Sparkasse AG (Haspa) has defined itself as the bank for everyone and is committed to the common good in the Hamburg and the Hamburg Metropolitan Region. With its regional business model, Haspa is a reliable partner and promoter of the region. Through its legal statutes, the bank is required to carry out the savings bank mission. This entails offering safe and interest-bearing investment options for savings and other funds, promoting the sense of saving and wealth building with the general population and responding to the demand for loans by the local economy, with specific consideration of the needs of SMEs.

Today, Haspa is the biggest and one of the few independent savings banks in Germany. With a total balance sheet of more than 56 billion euros as of 30.06.2024 and over 4,400 employees, Haspa serves more than 1.5 million customers.

Haspa strives to offer its clients state of the art services through its extensive network of ca. 100 branches in the Hamburg Metropolitan Region and by fully embracing digital communication channels. Haspa supports private and corporate clients in their financial planning and thus in securing the future. In addition, the bank has developed specific industry know-how for large real estate or corporate customers, as well as expertise in supporting its clients in conducting foreign business. Haspa is

particularly committed to providing loans to SMEs. Furthermore, the bank has created the Haspa StartUp Centre to provide cutting-edge services to start-ups. Haspa is consistently intensifying its networking with local businesses and charitable organisations to strengthen local economic structures and the community.

As a savings bank, Haspa is a sustainable company by design. Indeed, the idea of a savings bank is rooted in both social and economic sustainability: Haspa ensures financial independence and opens up entrepreneurial opportunities by offering modern financial products. To this end, Haspa is deeply connected to the local economy such as with commercial and other businesses, local craftsmanship, as well as local associations, social initiatives and charitable organisation. Via its concept of “community branches”¹, Haspa provides a space for various events and presentations on topics which are important for the local community. The bank therefore contributes to a strong local economy and community.

To further increase the quality of life of people in the Hamburg Metropolitan Region, as well as improve social inclusion, Haspa supports hundreds of non-profit organisations each year in the fields of education and social affairs, environmental and climate protection, art, music and sports.

¹ Nachbarschaftsfilialen

1.2 Haspa's Sustainability Approach

As stated in Haspa's own definition of sustainability, which is binding for all our employees: "We are committed to the principle of sustainability through our entrepreneurial responsibility and our self-understanding as a savings bank. This means that we reconcile economic success with social and ecological requirements and handle resources with care. With our entrepreneurial attitude, our products and various initiatives, we give impetus to the sustainable development of the region. In our business policy decisions and our daily actions, we always have in mind the needs and well-being of today's society and future generations."

Sustainability is systematically anchored in corporate management and risk steering, as well as in our core business, own investments (depot A), business operations, human resources management and corporate communications. Haspa pursues the goal of supporting the transformation towards a sustainable economy and way of life.

Haspa is committed to become "net zero" by 2045 and to align its business practices with limiting global warming to 1.5 degrees, in line with the Paris Agreement. The bank is also a signatory of the German savings banks "Commitment to climate-friendly and sustainable business practices". Based on these commitments, our business lines contribute to these common goals. Furthermore, Haspa is committed to support the achievement of Hamburg's climate plan, which is also reflected in its membership in the Hamburg Climate Council.

Social responsibility lies in Haspa's DNA as a savings bank. The bank was founded to prevent poverty and to enable all people to independently participate in business and society, thus improving the quality of life in the Hamburg Metropolitan Region. Since its foundation, Haspa has been committed to providing comprehensive financial services to all customer groups in the region. This explicitly includes basic services for economically weaker populations and populations at risk of exclusion, therefore providing a crucial step in building a fair society. By offering basic current accounts for everyone, regardless of their personal situation, income, age or nationality, Haspa contributes to financial inclusion. It also ensures barrier-free access to its branches for disabled customers and provides information and advice to some immigrant group in their own language. To further strengthen its social engagement, Haspa also financially supports selected charitable organisation.

Reflecting its deep commitment to the local community, Haspa is Hamburg's largest bank providing apprenticeships to students and young professionals, and has been recognized several times for the quality of its programs both in Hamburg and in Germany.²

² Further information: [Haspa - Pressemeldung - Haspa begrüßt 180 neue Azubis](#)

Haspa's basic convictions regarding human rights are reflected in the signature of the UN Global Compact as well as in the statement regarding the German Supply Chain Due Diligence Law³. Haspa is guided by the core labour standards of the International Labour Organization (ILO) and the United Nation's Sustainable Development Goals. Furthermore, Haspa follows strict sectoral exclusion criteria according to savings banks guideline on sustainability standards in the core business and Depot A⁴. Thus, following industries are excluded from financing: armaments industry (loans to finance the production and sale of outlawed weapons and weapons systems), loans to finance the cultivation and production of tobacco, international project financing in the areas of energy (fossil fuels such as oil, natural gas and coal) and thus also the construction of power plants that use these

energy sources as well as construction and capacity expansion of nuclear power plants, including supplies and services for this purpose. Furthermore mining, extraction of stone and earth with regard to the methods of raw material extraction open-cast mining, fracking, mountain-top removal, arctic drilling, oil sands etc. as well as the environmentally harmful processing of the raw materials are excluded.⁵

Recognizing the bank's actions fostering sustainable economic growth, social cohesion and reduction of inequalities, Haspa has been named one of the most sustainable banks in Germany. Haspa was awarded "prime" status by reputable ESG rating agency ISS ESG for the first time in 2022. The "prime" ESG rating recognizes the bank's leader status regarding sustainability matters.

³ [Grundsatzklärung zum Lieferkettensorgfaltspflichtengesetz](#)

⁴ [Leitlinie Nachhaltigkeitsstandards im Kerngeschäft und Depot A \(Basisregelwerk\)](#)

⁵ [Haspa Nachhaltigkeitsbericht 2023](#)

2. Rationale for the publication of the Social Bond Framework

The savings bank concept is rooted in social and economic sustainability: the most important tasks of a Savings Bank are to secure citizens' financial independence and to open up entrepreneurial opportunities by making a wide range of modern financial products available to everyone in its region.

At Haspa, promoting the common good has always taken precedence over the pursuit of short-term profit. This philosophy extends to the commitment to a climate-friendly, resource-conserving, and socially inclusive economy. All aspects of Haspa's business are approached with a long-term perspective to guarantee responsible and intergenerational decision-making.

As a regional bank, Haspa is strongly intertwined with the city of Hamburg and the metropolitan area. Therefore, Haspa is deeply committed to enhancing the quality of life for the residents and fostering sustainable development within the region.

Haspa contributes to the financing of social purposes with its own loan funds and by arranging development loans. As such, funds flow into areas such as education and childcare, social affairs and

health, as well as the creation of affordable housing. For Haspa, the property sector is a competent and very experienced partner. Its customers include numerous local housing cooperatives, for example, whose business model contributes to stable rents. Municipal loans are also used to promote the expansion of public social infrastructure. Financing for private investors and non-profit organisations also enables, among others, the construction and operation of daycare centres, schools, hospitals, nursing and retirement homes or residential complexes for students and trainees.

The social financing activities listed in the framework are an integral part of Haspa's strategy, making the Social Bond Framework a logical next step towards a holistic value chain. By issuing Social Bonds, Haspa will enable investors to support its strategic ambition of providing financing dedicated to key social challenges in the city of Hamburg and the metropolitan area.

This Social Bond Framework of Hamburger Sparkasse published in 2025 will allow the Bank to issue labelled Social Bonds, according to market-relevant, clearly defined and externally verifiable criteria.

3. Social Bond Framework

The Framework is aligned with the ICMA Social Bond Principles (SBP) 2023⁶. It follows the four core components of the SBP:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

Additionally, as also recommended by the SBP, an external review has been conducted.

Under this Social Bond Framework, Haspa may issue different types of Social Bonds to finance or refinance eligible assets according to the criteria outlined in this Framework, in particular

- Mortgage covered bonds (Hypothekendarlehenpfandbrief),
- Public sector covered bonds (Öffentlicher Pfandbrief),
- Senior unsecured bonds (preferred senior or non-preferred senior), and
- Tier 2 bonds

The framework is aligned with the Minimum Standards for Social Pfandbriefe as defined by the Association of German Pfandbrief Banks (vdp)⁷ in March 2021. The standards ensure that assets are selected according to vdp criteria and Haspa can issue Pfandbriefe under the vdp's "Social Pfandbrief" label.

In case of issuance of social public or mortgage covered bonds, it is ensured that eligible loans are part of the respective cover pools. The net proceeds of covered bonds will be exclusively applied to finance or refinance the social projects securing the specific bond. Such bonds will therefore be classified as "Secured Social Collateral Bonds", in line with the definition in the Appendix I of the ICMA Social Bond Principles.



This Social Bond Framework may be updated from time to time, e.g. to include further use of proceed categories, comply with potential new regulatory requirements or to cater to evolving investor expectations. In case of such updates, the external review of the framework will also be updated. The most current versions of both the framework and the external review are available on Haspa's web page.

⁶ The Social Bond Principles are voluntary transparency and disclosure guidelines published by the International Capital Market Association (ICMA) for issuing social bonds. For more information, see [here](#)

⁷ For detailed information see: [Minimum Standards for Social Pfandbriefe \(vdp\)](#)

3.1 Use of Proceeds

An amount equivalent to the net proceeds of Haspa’s Social Bonds will be used exclusively to finance or refinance, in whole or in part, eligible Social Assets. Eligible Social Assets are exclusively located in Germany and are defined as loans that meet the criteria for one of the categories listed in the table below.

ICMA SBP Category	Project Eligibility Criteria Loans dedicated to the financing of	Target Population	SDG ⁸
Access to Essential Services: Healthcare	Construction, renovation, or acquisition of existing facilities, as well as investments in healthcare facilities, incl. hospitals, medical, dental and rehabilitation centres	General public	
	Care facilities for elderly, ill or disabled people ⁹	Elderly, ill or disabled people	
	SMEs ¹⁰ active in the healthcare sector		
	<u>Rationale:</u> The right to a healthy life is a fundamental human right. Healthcare facilities must therefore be provided in sufficient quantity and quality, without discrimination.		
Access to Essential Services: Education	Child day-care facilities and kindergartens	General public	
	Schools ¹¹ and higher education facilities ¹²	Children and working parents	
	SMEs ¹³ active in the education sector	Students	
		Refugees and asylum seekers	
<u>Rationale:</u> Education is crucial for creating equal opportunities for all members of society and for creating the basis for social advancements.			

⁸ United Nations Sustainable Development Goals

⁹ For example, skilled nursing facilities, and assisted living or day care center with nursing care or therapy

¹⁰ Small and medium-sized enterprises as defined by the European Union in [EU recommendation 2003/361](#)

¹¹ Operation of primary and secondary schools for the general public

¹² Operation of universities, vocational schools and professional academies or construction of education facilities



¹³ Small and medium-sized enterprises as defined by the European Union in [EU recommendation 2003/361](#); e.g. Music school offering degree programs and courses for children and adults; language school for migrants and refugees.

ICMA SBP Category	Project Eligibility Criteria Loans dedicated to the financing of	Target Population	SDG
Affordable Housing	Housing cooperatives	Low- and middle-income groups	
	Municipal housing		
<p>Rationale: Affordable housing is essential for society as it promotes economic stability, social well-being and more inclusive communities.</p> <p>Further information on eligibility: Municipal housing includes: (1) apartments exclusively reserved for tenants whose income is below certain income thresholds (as clearly defined by the Federal State of Hamburg¹⁴) and who therefore qualify for housing with public funding; and (2) apartments whose average rent is below the average rent in the city. Housing cooperatives offer housing in the lower and mid-range price segment (around 20% below the average rent in Hamburg in the years 2016-2021¹⁵) and therefore significantly contribute to the preservation of affordable housing in the respective area.</p>			
Socioeconomic Advancement & Empowerment	Refugee homes and refugee assistance programs	Refugees and asylum seekers	
	Assistance facilities for homeless persons, such as overnight accommodation and community spaces	Homeless persons	
	Programs aiming at the inclusion of persons with disabilities, such as accompanied living facilities, employment programs, and community spaces	Persons with disabilities	
	Non-profit sports clubs ¹⁶	General public	
<p>Rationale: Leaving no one behind is a cornerstone of sustainable and resilient communities. Fostering participation in sports organizations and caring for homeless persons, persons with disabilities and refugees are key to enhance social inclusion.</p>			

¹⁴ [Details on thresholds are available here](#)

¹⁵ www.wohnungsbaugenossenschaften-hh.de/daten-zahlen-fakten/

¹⁶ With a focus on promoting public physical and mental health

ICMA SBP Category	Project Eligibility Criteria Loans to public counterparties, dedicated to the financing of the establishment and operation of	Target Population	SDG
Affordable Basic Infrastructure	<p>Affordable electricity networks</p> <hr/> <p>The municipal sewerage system</p> <hr/> <p>Emergency services (fire brigades and police)</p> <hr/> <p>Public transportation</p> <hr/> <p><u>Rationale:</u> Reliable, high quality, affordable and resilient regional public infrastructure are key elements to support inclusive growth in the local community.</p> <p><u>Further information on eligibility:</u> Eligible public loan counterparties ensure the establishment and operation of the local basic infrastructure. They are not profit-oriented but focus on fulfilling their tasks in a cost-efficient manner to ensure affordability.</p> <hr/>	General public	 

3.2 Process for Project Evaluation and Selection

Haspa has established an internal Sustainable Finance Committee (“the Committee”). The Sustainable Finance Committee is responsible for the content and implementation of the Framework and thus actively reviews the selection of eligible assets, the management of proceeds and the reporting process. Any future updates of the Framework will be discussed and decided upon by the Sustainable Finance Committee.

The Committee consists of representatives of various departments along the loan value chain: Treasury, Risk Management, Origination, Credit and ESG Management. The Committee meets on a regular basis, at least once a year. Decisions are formally documented.

The selection of eligible Social Assets for the Social Finance Portfolio is based on the following process:

All potential eligible Social Assets must undergo Haspa’s regular credit process. It is thus ensured that they comply with all regulatory requirements, including regulatory minimum environmental and social standards in line with the German law. Further to the regulatory requirements, Haspa has a comprehensive ESG risk management system in place, which ensures that all financed activities are in line with Haspa’s own high standards. This includes in particular Haspa’s policy on sustainability standards for its core business and treasury activities¹⁷, as well as more generally the German savings bank’s commitment statement on climate-friendly and sustainable business practices¹⁸. In addition, since 2022, when lending to companies’ subject to ESG reporting requirements, the process includes an assessment of the sustainability of the borrower’s business and the associated ESG risks based on the German Savings Banks’ internal ESG Score system¹⁹.

Based on the criteria set out in section 3.1. of this Framework, potential eligible Social Assets are identified by the Treasury on the basis of the following criteria:

- the type of customer
- the legal form of the company and/or
- the sector of the company/customer and/or
- purpose of the company or loan

Moreover, only loans with a fixed maturity, a minimum rating and no third-party refinancing are eligible.

The preselected pool of eligible assets is presented to and reviewed by the Sustainable Finance Committee. The Committee verifies that all relevant criteria are met. After final approval by the committee, the selected assets are added to the Social Finance Portfolio.

In addition, Treasury reviews the Social Finance Portfolio at least on an annual basis. Should any assets no longer meet the requirements set out in this Framework, they will be removed from the portfolio. The Sustainable Bond Committee will be informed of removals from the portfolio. The composition of the Social Finance Portfolio will be tracked at all times using Haspa’s internal systems.

¹⁷ [Leitlinie Nachhaltigkeitsstandards im Kerngeschäft und Depot A der Hamburger Sparkasse AG](#)

¹⁸ [Selbstverpflichtung Deutscher Sparkassen](#)

¹⁹ For details see [S-ESG Score](#)

3.3 Management of Proceeds

Haspa will manage all proceeds from the issuance of Social Bonds on a portfolio basis. An amount equivalent to the net proceeds of each Social Bond will be used to refinance eligible Social Assets. Until final maturity of the Social Bonds, Haspa will ensure that the total nominal amount of outstanding Social Bonds does not exceed the total volume of the Social Finance Portfolio at any time. In addition, the aggregated nominal amount of Social Pfandbriefe shall not exceed the aggregated eligible Social Assets in the respective cover pool. A new Social Bond can only be issued, if there are sufficient

available Social Assets on Haspa's balance sheet or, in case of Social Pfandbrief, in the cover pool. The proceeds are therefore allocated immediately and in full to the Social Finance portfolio.

Should the unlikely case arise, in which outstanding Social Bond proceeds remain unallocated to eligible Social Assets, Haspa will invest these temporarily in Social Bonds issued by other European issuers and which are in line with the ICMA Social Bond Principles, or hold the proceeds in cash pending full allocation.

3.4 Reporting

Haspa is committed to provide investors with transparent and informative reporting regarding its Social Bonds. As long as Haspa has Social Bonds outstanding, the bank will publish an allocation and impact report on an annual basis, until full allocation. The initial report is planned to be published approximately 12 months after the first Social Bond issuance under this framework.

Haspa intends to follow the recommendations presented in the ICMA Harmonised Framework for Impact Reporting for Social Bonds²⁰ to the extent possible.

Allocation reporting

The report will include the following information on an overarching level:

- _____ Total outstanding notional amount of issued Social Bonds
- _____ Total volume of the Social Finance Portfolio, by social project category
- _____ Development of the Social Finance Portfolio since last reporting
- _____ Balance of any unallocated proceeds, if any
- _____ The share of financing vs. refinancing

On a best-effort level, Haspa may further report on the following indicators per project category:

Impact reporting

Access to Essential Services: Healthcare

- _____ Number, volume, and remaining term of loans
- _____ Number of business partners by activity
- _____ Number of assets/practices
- _____ Number of people reached

Access to Essential Services: Education

- _____ Number, volume, and remaining term of loans
- _____ Number of business partners by activity
- _____ Number of assets
- _____ Number of people reached

Affordable Housing

- _____ Number, volume, and remaining term of loans
- _____ Financed area in sqm
- _____ Number of households/people reached
- _____ Number of housing units

²⁰ [ICMA Handbook – Harmonised Framework for Impact Reporting for Social Bonds, September 2024](#)

Impact reporting	
Socioeconomic Advancement & Empowerment	Number, volume, and remaining term of loans
	Number of business partners by activity
	Number of people reached
Affordable Basic Infrastructure	Number, volume, and remaining term of loans
	Number of business partners by activity
	Number of people reached

Haspa might consider developing the methodology details and collecting respective data with the support of external experts. Additional impact indicators may be developed over time.

The allocation and impact reporting will be made available on the Haspa web page²¹.

3.5 External Review

Haspa’s Social Bond Framework has been independently reviewed by ISS Corporate. ISS confirmed the alignment of the Framework with the 2023 version of the ICMA Social Bond Principles. The Framework and the Second Party Opinion are available on the Haspa web page.

Haspa intends to also obtain an external review on its annual allocation and impact reporting.

²¹ [Investor Relations – Haspa](#)

4. Important information

This Social Bond Framework (the "Framework") does not constitute or form part of and should not be construed as any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Hamburger Sparkasse AG ("Haspa") in any jurisdiction or an inducement to enter into investment activity nor should it or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any purchase, sale or subscription for any securities of Haspa or be relied on in connection with any contract or commitment or investment decision whatsoever. Neither the Framework nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe any applicable restrictions on distribution. Any bonds or other debt instrument that may be issued by Haspa from time to time, shall be offered by means of a separate prospectus or offering document (including any supplement thereto) in accordance with all applicable laws (including any selling restrictions). Any decision to purchase any such securities should be made solely on the basis of the information contained in any such prospectus or offering document (including any supplement thereto) provided in connection with the offering of such securities, and not on the basis of this Framework.

The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. Haspa assumes best efforts however no guarantee to update or keep current or revise the information or opinions contained in this Framework, regardless of whether such information or opinions are affected by the results of new information, future events or otherwise. Undue reliance should not be placed on the information and opinions contained in this Framework. This Framework represents current Haspa policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal

relations, rights or obligations. This Framework is intended to provide non-exhaustive, general information.

The information contained in this Framework does not purport to be comprehensive and, unless differently specified in this Framework, has not been independently verified by any independent third party. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Haspa and accordingly, no liability is accepted by Haspa or any of their respective members, directors, officers, agents or employees or any other person as to, and no reliance should be placed on, the fairness, accuracy, reasonableness or completeness of such information. None of Haspa or any of their respective members, directors, officers, agents or employees nor any other person accept any liability whatsoever for any loss howsoever arising from any use of the Framework or its contents or otherwise arising in connection with the Framework.

This Framework may contain statements about plans, objectives, goals, strategies, future events or performance and expectations that are forward-looking statements and which are based upon various assumptions and other statements which are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond Haspa's control. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates, goals, or prospects have been prepared are correct or exhaustive or fully stated in the Framework. No representation is made as to the suitability of any social bonds to fulfill environmental and sustainability criteria required by prospective investors.