

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Social Bond Framework

Hamburger Sparkasse AG

28 January 2025

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Social bonds¹

Relevant standards

- Social Bond Principles, ICMA, June 2023 (with June 2023 Appendix 1)
- Hamburger Sparkasse AG's Social Bond Framework (as of Jan. 27, 2025)

Scope of verification

- Hamburger Sparkasse AG's eligibility criteria (as of Jan. 27, 2025)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Framework remains unchanged

¹ Including mortgage covered bonds (Hypothekendarlehenbrief), public sector covered bonds (Öffentlicher Pfandbrief), senior unsecured bonds (preferred senior or non-preferred senior) and Tier 2 bonds.

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SCOPE OF WORK

Hamburger Sparkasse AG (“the Issuer,” “the Bank” or “Haspa”) commissioned ISS-Corporate to assist with its social bonds by assessing three core elements to determine the sustainability quality of the instruments:

- Haspa’s Social Bond Framework (as of Jan. 27, 2025), benchmarked against the International Capital Market Association’s (ICMA) Social Bond Principles (SBP).
1. The eligibility criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against ISS-Corporate’s proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
 2. Consistency of social bonds with Haspa’s sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

HAMBURGER SPARKASSE AG OVERVIEW

Hamburger Sparkasse AG provides savings bank and private and commercial finance services. The firm specializes in the retail banking and corporate business with small- to medium-sized enterprises. Hamburger Sparkasse was founded in 1827 and is headquartered in Hamburg, Germany.


ESG risks associated with the Issuer’s industry

Haspa is classified in the public and regional banks industry, as per ISS ESG’s sector classification. Key sustainability issues faced by companies² in this industry are business ethics, labor standards and working conditions, customer and product responsibility, sustainability impacts of lending and other financial services or products, and sustainable investment criteria.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer’s overall sustainability strategy.

² Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within this industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ³
<p>Part I:</p> <p>Alignment with SBP</p>	<p>The Issuer has defined a formal concept for its social bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds, and reporting. This concept is in line with the SBP.</p> <p><i>* Certain criterion of the Affordable Basic Infrastructure category⁴ is assessed as providing no clear social benefits according to our methodology (see Part II of this report). However, as there are currently several national and international initiatives and the definition of social might vary depending on sector and geography, this category might be considered eligible social category by investors.</i></p>	<p>Aligned*</p>
<p>Part II:</p> <p>Sustainability quality of the eligibility criteria</p>	<p>The social bonds will (re)finance the following eligible asset categories:</p> <p>Social categories: Access to Essential Healthcare Services, Access to Essential Education Services, Affordable Housing, Socioeconomic Advancement and Empowerment, and Affordable Basic Infrastructure.</p> <p>Product and/or service-related use of proceeds categories individually contribute to one or more of the following SDGs:</p>  <p>For certain criteria of the Affordable Basic Infrastructure category,⁵ there is no evidence of a social contribution or of an improvement on the</p>	<p>Positive</p>

³ The evaluation is based on Haspa’s Social Bond Framework (Jan. 27, 2025, version), on the analyzed eligibility criteria as received on Jan. 27, 2025.

⁴ Affordable electricity networks

⁵ Affordable electricity networks

SPO SECTION	SUMMARY	EVALUATION ³
	<p>Issuer’s and/or end users’ potential negative externalities.</p> <p>The environmental and social risks associated with the use of proceeds categories and the financial institution are managed.</p>	
<p>Part III:</p> <p>Consistency of social bonds with Haspa’s sustainability strategy</p>	<p>The key sustainability objectives and the rationale for issuing social bonds are clearly described by the Issuer. The majority of the project categories considered are in line with the Issuer’s sustainability objectives.</p>	<p>Consistent with Issuer’s sustainability strategy</p>

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE SOCIAL BOND PRINCIPLES

This section evaluates the alignment of Haspa’s Social Bond Framework (as of Jan. 27, 2025) with the SBP.

SBP	ALIGNMENT	OPINION
1. Use of proceeds	✓ *	<p>The use of proceeds description provided by Haspa’s Social Bond Framework is aligned* with the SBP.</p> <p>The Issuer’s social categories align with the project categories as proposed by the SBP. Criteria are defined clearly and transparently. The proceeds originate from the issuance of either covered bonds or senior unsecured bonds. Haspa ensures that all collateral of the covered social bonds meet the eligibility criteria. Moreover, the Issuer commits to allocate all proceeds immediately and ensures that there is no risk of double counting. Commitment to report by project category has been provided and social benefits are described.</p> <p>The Issuer defines that 100% of the assets are refinanced, in line with best market practice.</p> <p><i>* The project categories identified by Haspa are aligned with the principles, except for certain criterion of the Affordable Basic Infrastructure category,⁶ which is assessed as providing no clear social benefits according to our methodology (see Part II of this report). However, as there are currently several national and international initiatives and the definition of social might vary depending on sector and geography, this category might be considered eligible social category by investors.</i></p>
2. Process for project evaluation and selection	✓	<p>The process for project evaluation and selection description provided by Haspa’s Social Bond Framework is aligned with the SBP.</p>

⁶ Affordable electricity networks.

SBP	ALIGNMENT	OPINION
		<p>The project selection process is defined. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer’s sustainability strategy and clearly show the intended benefit to the relevant population. The Issuer defines exclusion criteria for harmful projects categories.⁷</p> <p>The Issuer clearly defines responsibilities in the process for project evaluation and selection and is transparent about it. Moreover, Haspa involves various stakeholders in this process, in line with best market practice.</p>
<p>3. Management of proceeds</p>	<p>✓</p>	<p>The management of proceeds provided by Haspa’s Social Bond Framework is aligned with the SBP.</p> <p>The net proceeds collected will equal the amount allocated to eligible projects. The net proceeds are tracked appropriately and attested in a formal internal process, and are managed on an aggregated basis for multiple social bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p> <p>The Issuer discloses ESG criteria for temporary investments and has confirmed immediate allocation of proceeds, in line with best market practice.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by Haspa’s Social Bond Framework is aligned with the SBP.</p>

⁷ The 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) including 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, as well as the environmentally harmful processing of the raw materials are excluded.

SBP	ALIGNMENT	OPINION
		<p>The Issuer commits to disclose the allocation of proceeds transparently and report with appropriate frequency. The reporting will be publicly available on the Issuer’s website. Haspa has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the portfolio level. Moreover, the Issuer commits to report annually until the proceeds have been fully allocated.</p> <p>The Issuer is transparent on the level of impact reporting and the information reported and further defines the duration, scope and frequency of the impact reporting. In addition, Haspa discloses the location and link of the report(s), and commits to get the allocation report audited by an external party, in line with best market practice.</p>

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE SOCIAL BONDS TO THE U.N. SDGs⁸


The Issuer can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being a responsible actor, working to minimize negative externalities in its operations along the entire value chain.

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as ISS ESG’s SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer’s products or services on the U.N. SDGs, as well as other ESG benchmarks (the EU taxonomy Climate Delegated Acts, the Green/Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a three-point scale:







Each of the social bonds’ use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS ⁹ (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Access to Essential Services — Healthcare</p> <p><i>Loans dedicated to the financing of the construction, renovation or acquisition of existing facilities, as well as investments in¹⁰ healthcare facilities including hospitals medical centers and dental centers.</i></p> <p><u>Target population:</u></p> <ul style="list-style-type: none"> ▪ General public ▪ Elderly, ill or disabled people 	<p>Contribution</p>	

⁸ The impact of the UoP categories on U.N. Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer’s description in the Framework.





⁹ The review is limited to the examples of projects spelled out in the Framework.

¹⁰ Financing of operation is not involved.

USE OF PROCEEDS ⁹ (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Access to Essential Services — Healthcare</p> <p><i>Loans dedicated to the financing of the construction, renovation or acquisition of existing facilities, as well as investments in¹¹ healthcare facilities including rehabilitation centers.</i></p> <p><u>Target population:</u></p> <ul style="list-style-type: none"> ▪ General public ▪ Elderly, ill or disabled people 	<p>Contribution</p>	
<p>Access to Essential Services — Healthcare</p> <p><i>Loans dedicated to the financing of care facilities for elderly or ill people (e.g., skilled nursing facilities and assisted living or day care centers with nursing care or therapy).</i></p> <p><u>Target population:</u> elderly or ill people.</p>	<p>Contribution</p>	
<p>Access to Essential Services — Healthcare</p> <p><i>Loans dedicated to the financing of care facilities for disabled people.</i></p> <p><u>Target population:</u> disabled people.</p>	<p>Contribution</p>	
<p>Access to Essential Services — Healthcare</p> <p><i>Loans dedicated to the financing of SMEs¹² active in the healthcare sector (e.g., manufacturers of tablets and capsules, including denture cleaning tablets).</i></p> <p><u>Target population:</u></p> <ul style="list-style-type: none"> ▪ General public ▪ Elderly, ill or disabled people 	<p>Contribution</p>	

¹¹ Financing of operation is not involved.

¹² Small- and medium-sized enterprises as defined by the European Union in [EU recommendation 2003/361](#).

USE OF PROCEEDS ⁹ (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Access to Essential Services — Education</p> <p><i>Loans dedicated to the financing of child day-care facilities and kindergartens.</i></p> <p><u>Target population:</u></p> <ul style="list-style-type: none"> ▪ General public ▪ Children and working parents ▪ Students 	<p>Contribution</p>	
<p>Access to Essential Services — Education</p> <p><i>Loans dedicated to the financing of schools.¹³</i></p> <p><u>Target population:</u></p> <ul style="list-style-type: none"> ▪ General public ▪ Students 	<p>Contribution</p>	
<p>Access to Essential Services — Education</p> <p><i>Loans dedicated to the financing of schools and higher education facilities.¹⁴</i></p> <p><u>Target population:</u></p> <ul style="list-style-type: none"> ▪ General public ▪ Students 	<p>Contribution</p>	
<p>Access to Essential Services — Education</p> <p><i>Loans dedicated to the financing of SMEs¹⁵ active in the education sector (e.g., music school that offers degree program and courses for children and adults).</i></p> <p><u>Target population:</u></p> <ul style="list-style-type: none"> ▪ General public ▪ Children ▪ Students 	<p>Contribution</p>	



¹³ Referring to the operation of primary and secondary schools for general public.

¹⁴ Referring to the operation of universities, vocational schools and professional academies or construction of education facilities.




¹⁵ Small- and medium-sized enterprises as defined by the European Union in [EU recommendation 2003/361](#).

USE OF PROCEEDS ⁹ (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Access to Essential Services — Education</p> <p>Loans dedicated to the financing of SMEs¹⁶ active in the education sector (e.g., language school especially for migrants and refugees).</p> <p><u>Target population:</u></p> <ul style="list-style-type: none"> ▪ Refugees and asylum seekers ▪ Migrants ▪ Foreign workers or students 	<p>Contribution</p>	
<p>Affordable Housing</p> <p>Loans dedicated to the financing of:</p> <ul style="list-style-type: none"> ▪ Housing cooperatives that offer housing in the lower and mid-range price segment (around <u>20% below the average rent in Hamburg in the years 2016-2021</u>) ▪ Municipal housing that is i) exclusively reserved for tenants whose income is below certain income thresholds (as clearly defined by the <u>Federal State of Hamburg</u>) and who therefore qualify for housing with public funding; and ii) apartments with average rent below the average rent in the city. <p><u>Target population:</u> low- and middle-income groups.</p>	<p>Contribution</p>	
<p>Socioeconomic Advancement and Empowerment</p> <p>Loans dedicated to the financing of refugee homes and refugee assistance programs.</p> <p><u>Target population:</u> refugees and asylum seekers.</p>	<p>Contribution</p>	

¹⁶ Small- and medium-sized enterprises as defined by the European Union in [EU recommendation 2003/361](#).

USE OF PROCEEDS ⁹ (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS	
<p>Socioeconomic Advancement and Empowerment</p> <p><i>Loans dedicated to the financing of assistance facilities for homeless people, such as overnight accommodation and community spaces.</i></p> <p><i>Target population: homeless people.</i></p>	<p>Contribution</p>		
<p>Socioeconomic Advancement and Empowerment</p> <p><i>Loans dedicated to the financing of programs aimed at the inclusion of people with disabilities, such as accompanied living facilities.</i></p> <p><i>Target population: people with disabilities.</i></p>		<p>Contribution</p>	
<p>Socioeconomic Advancement and Empowerment</p> <p><i>Loans dedicated to the financing of programs aimed at the inclusion of people with disabilities, such as employment programs.</i></p> <p><i>Target population: people with disabilities.</i></p>			<p>Contribution</p>
<p>Socioeconomic Advancement and Empowerment</p> <p><i>Loans dedicated to the financing of programs aimed at the inclusion of people with disabilities, such as community spaces.</i></p> <p><i>Target population: people with disabilities.</i></p>		<p>Contribution</p>	
<p>Socioeconomic Advancement and Empowerment</p> <p><i>Loans dedicated to the financing of non-profit sports clubs.¹⁷</i></p> <p><i>Target population: general public.</i></p>			<p>Contribution</p>

¹⁷ With a focus on promoting public physical and mental health.

USE OF PROCEEDS ⁹ (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Affordable Basic Infrastructure</p> <p><i>Loans to public counterparties, dedicated to the financing of the establishment and operation of affordable electricity networks.</i></p> <p><i>Target population: general public.</i></p>	<p>No Net Impact</p>	
<p>Affordable Basic Infrastructure</p> <p><i>Loans to public counterparties, dedicated to the financing of the establishment and operation of the municipal sewage system.</i></p> <p><i>Target population: general public.</i></p>	<p>Contribution</p>	
<p>Affordable Basic Infrastructure</p> <p><i>Loans to public counterparties, dedicated to the financing of the establishment and operation of emergency services (fire brigades).</i></p> <p><i>Target population: general public.</i></p>		
<p>Affordable Basic Infrastructure</p> <p><i>Loans to public counterparties, dedicated to the financing of the establishment and operation of public transportation.</i></p> <p><i>Target population: general public.</i></p>		

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ELIGIBILITY CRITERIA

The table below evaluates the eligibility criteria against issuance-specific KPIs. The entirety of the assets are and will be located in Germany.

ASSESSMENT AGAINST KPIs

ESG guidelines into financing process

The Issuer integrates ESG principles into its financing processes, with a commitment to supporting the transformation of its corporate and real estate clients toward sustainable and future-oriented business models. Haspa has systematic evaluation mechanisms that incorporate both general sustainability standards and specific criteria for industries identified as environmentally or socially sensitive. These measures align with international frameworks such as the U.N. SDGs and the EU taxonomy, ensuring that Haspa actively contributes to mitigating climate change and promoting responsible business practices.

For new financing, Haspa applies exclusion criteria to harmful industries and activities. Financing is explicitly denied for sectors such as the production and sale of prohibited weapons (e.g., cluster munitions, anti-personnel mines and weapons of mass destruction); tobacco cultivation and production; and international project financing involving fossil fuel energy (oil, gas and coal), environmentally harmful resource extraction methods (e.g., open-pit mining, fracking, Arctic drilling), and the processing of such resources. These exclusions ensure that Haspa's credit policies align with its commitment to environmental protection and social responsibility.

The Issuer has also developed an [ESG questionnaire](#) to evaluate the sustainability risks of companies engaging in its financing process. The questionnaire evaluates the ESG risk of credit operations based on the following indicators: greenhouse gas emissions, water consumption, hazardous waste, physical and transition risk, biodiversity loss, transition strategy, gender pay gap, human rights, as well as indicators related to the workforce of the applying company.

Through the ESG questionnaire, Haspa employs detailed [sector-specific evaluations](#) for industries deemed to carry heightened sustainability risks. Using its proprietary S-ESG score, which evaluates clients' ESG performance, Haspa identifies sectors with subpar sustainability performance (i.e., scores in the D or E range with A being the best). These industries are subject to further analysis, incorporating insights from the German Savings Banks Association and annual reviews of sectoral risks and developments. The evaluation focuses on sector-specific risks, transformation challenges and opportunities for improvement, allowing Haspa to tailor its sustainability assessments to the unique characteristics of each borrower.

For individual financing proposals, especially those in sensitive sectors, Haspa assesses the client's alignment with sustainability criteria through a structured process. This includes reviewing the client's environmental impact, governance practices and social responsibility measures. Financing decisions for these clients are carefully documented, with reasons for approval or rejection transparently communicated. In cases where specific sustainability risks are identified, Haspa may establish tailored covenants as part of the loan agreement, addressing issues such as environmental audits, energy efficiency, carbon emissions or supply chain security.

In ongoing engagements, Haspa maintains a monitoring framework to ensure sustained compliance with its ESG standards. Annual reviews of financed projects validate that allocated funds are used as intended and that clients adhere to the agreed sustainability criteria. For clients operating in sectors with limited financing volume or negligible ESG risks, individual assessments remain in place to ensure compliance with general sustainability standards.

Governance is central to Haspa's ESG strategy. Regular reviews of its sustainability framework and sectoral policies, combined with external validations, ensure that Haspa remains aligned with evolving regulatory and market expectations. Transparent reporting and complaints mechanisms provide additional accountability. In cases where clients fail to address sustainability deficits despite support and monitoring, Haspa may escalate the matter to senior management and ultimately disengage from the relationship if necessary.

Labor, health and safety



All financed assets are located in Germany, a country with rigorous labor, health and safety standards upheld by national legislation. Germany is also classified as an Equator Principles Designated Country, indicating its strong environmental and social governance frameworks, legal systems and institutional capacity aimed at safeguarding both people and the natural environment. Additionally, Germany has ratified 89 ILO Conventions and two protocols, with 62 of these still in effect. Internally, Haspa developed [principles](#) for respecting human rights and exercising human rights due diligence obligations.

Biodiversity



All financed assets are located in Germany, where the environmental impacts of the financed activities are minimized in alignment with EU standards for environmental and social impact assessment. Germany's status as an Equator Principles Designated Country underscores its strong environmental and social governance frameworks, legislative systems and institutional capacity aimed at protecting both its people and natural resources.

Community dialogue



All financed assets are located in Germany, where legal requirements ensure that impacts on communities are minimized in accordance with EU standards for environmental and social impact assessment. German law allows stakeholders, such as neighboring communities, the right to appeal building permits (per Section 42 of the [Code of Administrative Court Procedure](#)). Additionally, recognized environmental conservation organizations have established rights to appeal within public participation frameworks in building planning (as outlined in Article 64 of the [Federal Nature Conservation Act](#) and Article 2 of the [Environmental Appeals Act](#)).

Inclusion



As outlined in its [code of conduct](#), the Issuer has a zero-tolerance policy for discrimination and is committed to providing equal treatment to all third parties, including customers and business partners, regardless of origin, skin color, gender, nationality, age, ideology, religion, disability, marital status, sexual orientation or any other characteristics.

Data protection and information security



Haspa has implemented a framework for data protection and information security, ensuring compliance with the General Data Protection Regulation (GDPR), the Federal Data Protection Act and other sector-specific regulations. This framework prioritizes the confidentiality, integrity and availability of personal and business-related data through governance and operational policies.

The Data Protection Policy defines the principles governing the processing of personal data within Haspa. These principles include transparency, purpose limitation, data minimization, accuracy and accountability. The policy applies to all employees and external service providers, covering both automated and manual data processing. Haspa restricts data processing to specific, lawful purposes and ensures that data is retained only for as long as necessary, with strict adherence to legal retention periods.

Haspa is guided by ISO 27001 and has established guidelines and target measures in the areas of both access protection/identity management (including recertification of authorizations, a segregation of duties matrix and two-factor authentication for selected accesses) and with regard to the confidentiality and integrity of data, including backup systems, data encryption, security information and event management solutions, and intrusion detection systems in cooperation with Finanz Informatik. In particular, the Issuer has implemented an isolated internet access environment, regular hardening of

external systems, the use of firewalls that are set as restrictively as possible, and the use of multi-layered virus protection systems to help prevent cyber attacks, sabotage activities and data outflows.

Haspa ensures information security through a structured framework supported by:

- Technical and organizational measures designed to prevent unauthorized access, data breaches and loss of data.
- Regular updates and reviews of its security measures to reflect technological advancements and evolving risks.
- Mandatory technical evaluations and risk assessments prior to introducing new IT systems or processes.

The data protection officer (DPO) is responsible for Haspa's compliance strategy. The DPO operates independently and is equipped with the necessary resources to oversee adherence to data protection laws, provide guidance and collaborate with regulatory authorities. Employees and stakeholders are encouraged to promptly report data protection concerns or potential breaches to the DPO for resolution.

Additionally, employee accountability is central to Haspa's data protection framework. Employees are trained to handle data securely and must maintain confidentiality in their roles. Access to personal data is limited to essential tasks, and unauthorized processing, sharing or misuse of data is strictly prohibited, with severe penalties for violations.

For outsourced services and third-party data transfers, Haspa enforces contractual agreements to ensure compliance with data protection standards. Data transfers, both within the Sparkassen-Finanzgruppe and internationally, are conducted under strict legal and regulatory safeguards. Contracts with external service providers include clauses mandating compliance with Haspa's data protection requirements and accountability measures.

Responsible treatment of customers with debt repayment problems



Haspa has adopted an approach to responsibly manage borrowers experiencing debt repayment challenges, emphasizing client protection and financial sustainability. To prevent financial distress, Haspa evaluates all loan applications through a mandatory analysis of the applicant's financial situation. This ensures that borrowers retain sufficient financial flexibility after accounting

for interest and repayment obligations, reflecting conservative lending practices aimed at minimizing over-indebtedness.

For clients facing financial difficulties, Haspa employs an active engagement process. Borrowers experiencing arrears or financial hardship due to unforeseen circumstances, such as unemployment or illness, are proactively contacted. Trained personnel work closely with affected clients to explore viable solutions tailored to their individual circumstances. Possible measures include deferring payments or reducing repayment rates to alleviate immediate financial pressure and prevent further distress.

Haspa does not offer formal internal or external debtor counseling services but plays an active role in early risk detection and customer support for those experiencing financial difficulties. For corporate clients, the Bank uses an early warning system to identify and document risks, with parameters set and reviewed annually by the credit risk systems team. Specialized employees in the sales units focus on preserving engagements in cases of mild to moderate financial distress, aiming to maintain the business relationship without initiating liquidation. For private clients, while no structured early intervention process exists, there are internal mechanisms to support borrowers in sustaining their financial commitments. These processes are designed in alignment with MaRisk, the Minimum Requirements for Risk Management, which define criteria for risk identification and intensive support, including periodic reviews and early intervention strategies.

Haspa confirms that refinancing options are consistently offered under terms that do not negatively impact borrowers. Policies ensure that debt restructuring is implemented without increasing the overall costs for customers. These practices are aligned with internal guidelines and regulatory frameworks to provide fair and supportive financial solutions to borrowers facing challenges.

In terms of mortgage sales and foreclosure processes for private clients, Haspa adheres to the European Banking Authority (EBA) guidelines on arrears and foreclosure. The Bank takes proactive measures to engage with customers in financial distress as early as possible to develop solutions that avoid foreclosure, especially for owner-occupied properties. A robust early warning system is employed to identify potential risks, while specially trained staff are assigned to assist customers in managing payment difficulties and maintaining their financial stability. These measures reflect Haspa's commitment to providing outcomes that are fair and supportive of its customers.

Haspa has implemented several measures to ensure responsible lending and prevent over-indebtedness. It follows EBA guidelines on loan origination and monitoring by utilizing conservative credit risk indicators and thresholds. The

Bank also complies with the Residential Real Estate Credit Directive and integrates credit risk culture principles into its overall strategy, focusing on avoiding financial strain for borrowers. Long-term fixed interest rates of up to 20 years are offered to provide stability, and conservative loan-to-value ratios are maintained in accordance with the Valuation Regulation and the Pfandbrief Act. These policies ensure that borrowers retain sufficient financial flexibility while meeting their debt obligations.

Sales practices

The sales activities at Haspa prioritize ethical practices and customer centricity. The Issuer incorporates customer satisfaction into its performance evaluation framework, ensuring it is a critical determinant of variable compensation. Haspa confirms that sales personnel do not have individual product-based sales targets or receive commissions for specific product categories, such as securities trading. This structure supports long-term client interests over short-term sales objectives.



Haspa regularly trains its customer-facing employees on responsible sales practices. The training materials cover ethical behavior, compliance with legal and regulatory standards, and methodologies for assessing the suitability of products to individual client needs. This includes evaluating clients' financial knowledge, risk preferences and product understanding to ensure appropriate advice. Haspa confirms that its training programs emphasize transparency and the avoidance of overselling or mismatched product offerings.

The Issuer established systematic monitoring processes to oversee adherence to responsible sales practices. Control functions are embedded throughout its operations, including product development, approval and lifecycle management. For example, the compliance function conducts regular reviews of securities advisory practices, with results reported to the management board annually. Additionally, Haspa analyzes customer feedback and complaints to identify areas for continuous improvement in sales and advisory processes.

Responsible marketing



Haspa is committed to ethical and transparent practices in its marketing, pricing and customer communications.

Haspa ensures that its marketing and advertising materials are clear, transparent and not misleading. The institution follows internal guidelines that emphasize responsible communication, including the use of simple and understandable language. This commitment aligns with Haspa's broader ethical

values and principles as outlined in its code of conduct and product responsibility framework.

Pricing for Haspa's products and services is designed to be clear and accurate, with no hidden costs. The institution is committed to providing customers with all necessary cost-related information to facilitate informed decision-making. This includes transparently outlining potential returns, risks and associated costs, ensuring that customers fully understand the financial implications of their choices.

Haspa also prioritizes transparency in communicating product risks. Advisers are trained to provide comprehensive consultations that consider customers' individual financial situations, risk preferences and knowledge. This ensures that customers are fully aware of both the opportunities and risks associated with Haspa's products.

Regarding the use of small print, the Issuer follows the recommendation and [requirements](#) of BaFin, the German financial regulatory authority, and the [Securities Trading Act](#), whereby risk information must not be hidden. Haspa also follows the GDPR, whereby footnotes are not forbidden. Therefore, footnotes may appear on some products.

In the case of loan or product application rejections, the reviewed materials do not confirm whether customers receive written explanations detailing the reasons for rejection. Haspa's focus on fairness and customer-oriented service implies that it may provide such feedback, although further clarification on this practice would be beneficial.

Exclusion criteria

The Issuer excludes companies that are active in the following sectors based on its exclusion criteria: fossil fuels, chemical production, weapons manufacturing and tobacco production. In its current portfolio, the Issuer does not hold any outstanding financing in companies active in these sectors.

PART III: CONSISTENCY OF SOCIAL BONDS WITH HASPA'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
<p>Strategic ESG topics</p>	<p>The Issuer focuses on climate alignment, sustainable financing and increasing customer awareness of sustainability. These sustainability pillars have been defined through the adoption of the Sparkassen-Finanzgruppe's 2025 targets, which include strategic objectives and measures. The definition of these pillars involved a materiality analysis, considering the alignment with the Paris Agreement and U.N. SDGs. Furthermore, the Issuer follows market practices, such as the European Sustainability Reporting Standards (ESRS), and previously adhered to the Sparkassen-Standard indicator system.</p>
<p>ESG goals/targets</p>	<p>To achieve its strategic ESG topics, the Issuer set a target to reduce CO₂ emissions in its investment funds by 50% between 2019 and 2030, of annual reductions in the maximum allowable CO₂ emissions per EUR 1 million invested, and alignment of its financing and investments with the goals of the Paris Agreement. These targets follow the principles outlined in the Net-Zero Asset Owner Alliance and are aligned with a 1.5°C global warming limit. However, they are not explicitly verified by the Science Based Targets initiative or Science Based Targets Network.</p> <p>The Issuer has set the following goals for its activities:</p> <ul style="list-style-type: none"> ▪ By 2030: absolute reduction of Scope 1-3 emissions of 29.4% ▪ By 2035: absolute reduction of Scope 1-3 emissions of 50.4%. ▪ By 2040: absolute reduction of Scope 1-3 emissions of 71.4%

TOPIC	ISSUER APPROACH
	<ul style="list-style-type: none"> By 2045: absolute reduction of Scope 1-3 emissions of 92.4%
<p>Action plan</p>	<p>The Issuer implemented the Net-Zero Asset Owner Alliance framework to achieve its goal of aligning operations and investments with the Paris Agreement's targets, including a 50% reduction in CO₂ emissions in investment funds by 2030. Additionally, the Issuer adheres to the United Nations Global Compact, committing to principles of human rights, environmental protection and ethical practices.</p> <p>There is no information available on the financial budget (CapEx, OpEx, product mix) to achieve the specific ESG targets/goals. Similarly, no detailed action plan has been disclosed regarding the steps to reach the Issuer's ESG targets/goals.</p>
<p>Climate transition strategy</p>	<p>The Issuer has a climate transition strategy targeting net-zero emissions by 2045, with an interim goal of achieving carbon-neutral operations by 2035. This includes emissions reductions across Scope 1 (direct emissions), Scope 2 (indirect emissions from energy consumption) and Scope 3 (indirect emissions from the supply chain and customer activities). To achieve its overarching decarbonization target, Haspa has aimed for its own business operations to have an average annual reduction in Scope 1-3 greenhouse gas emissions of 4.2% (relative to the base year of 2023).</p>
<p>Sustainability reporting</p>	<p>The Issuer reports on its ESG performance and initiatives annually. The report is prepared in line with the ESRS based on data availability, which Haspa voluntarily adopted in 2023 to prepare for its mandatory application in the future. Additionally, the report aligns with the EU taxonomy, the Sustainable Finance Disclosure Regulation and the ESRS reporting structure with the Non-Financial Reporting Directive reporting obligations while awaiting the national transposition of the Corporate Sustainability Reporting Directive. Previously, the</p>

TOPIC	ISSUER APPROACH
	Issuer followed the Sparkassen-Standard indicator system for sustainability reporting. The Issuer also incorporates principles from the United Nations Global Compact, ISO 14001 for environmental management systems, and DIN EN ISO 50001 for energy management systems, which has been certified by TÜV Nord.
Industry associations, collective commitments	The Issuer has been following the Net Zero Asset Owner Alliance (NZAOA) since 2019 and adheres to its Target Setting Protocol. Additionally, the Issuer has committed to the United Nations Global Compact.
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	-

Rationale for issuance

Haspa issues social bonds to address social challenges in Hamburg and the metropolitan area. The Bank supports social inclusion and sustainable development, leveraging its expertise in social financing and collaborating with local stakeholders to direct funds toward education, childcare, healthcare, affordable housing and public social infrastructure.

Opinion: *The key sustainability objectives and the rationale for issuing social bonds are clearly described by the Issuer. The majority¹⁸ of the project categories financed are in line with the Issuer’s sustainability objectives.*

¹⁸ With the exception of the Affordable Electricity Networks sub-category, which is assessed as having No Net Impact.

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary [methodology](#).

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Hamburger Sparkasse AG commissioned ISS-Corporate to compile a social bonds SPO. The second-party opinion process includes verifying whether the Social Bond Framework aligns with the Social Bond Principles and assessing the sustainability credentials of its social bonds, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party opinion:

- Social Bond Principles

ISSUER'S RESPONSIBILITY

Hamburger Sparkasse AG's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risk management

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the social bonds to be issued by Hamburger Sparkasse AG has been conducted based on proprietary methodology and in line with the Social Bond Principles.

The engagement with Hamburger Sparkasse AG took place from December 2024 to January 2025.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For more information on SPO services, please contact SPOsales@iss-corporate.com.

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