



28 April 2021

**Green Bond Framework for the State of Hesse**

*Our planet is threatened by climate change, the loss of biodiversity and pollution. The preservation of creation and the preservation of our natural livelihoods for us and future generations is and will remain one of the most urgent challenges.*

(Page 4 of the Hessian coalition agreement for the 20th legislative period)

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## 1 Climate protection targets of the State of Hesse

The State of Hesse (hereinafter "Hesse") regards climate protection to be an essential part of its policy. The principle of sustainability is anchored in the state's constitution as a central goal for the state's conduct (*Staatsziel*). With that, Hesse is pursuing its sustainable development with the ultimate goal for its preservation for current and future generations. Climate and environmental protection as well as sustainability are therefore the main criteria for the selection of Hesse's expenditures when it comes to assignment to its sustainable bonds.

Hesse is taking a pioneering role among the German states by issuing a Green Bond. Being among the states befitting from a position of economic strength, Hesse is committed to its leadership in Europe, inspired by the EU-Strategy for sustainable growth (European Green Deal<sup>1</sup>) and the Green Twin Bond issued by the Republic of Germany.

Climate change is one of the biggest challenges of this century. With the international treaty on climate change adopted on 12 December 2015 at the COP21 in Paris<sup>2</sup> and various regional initiatives, a total of 197 countries, led by the United Nations, the European Union and the Federal Republic of Germany, have taken decisive steps to fight climate change.

### 1.1 Hessian economy: Facts and figures

Hesse is one of the 16 German states with 6.21 million inhabitants. The gross domestic product (GDP) of the state amounts to 294.5 billion euros (2019) and thus exceeds the GDP of Finland. Hesse receives 15 percent of all foreign direct investments (FDI) in Germany. Frankfurt, the largest city in Hesse, is the financial center of continental Europe with around 200 financial institutions, including the headquarter of the European Central Bank.

Hesse is also a hub of European information and communication technology with 122,000 employees, 10,000 companies and a turnover of 40 billion euros (focus on corporate software, data centers and data security). The German Commercial Internet Exchange (DE-CIX) is an internet exchange point based in Frankfurt which is the largest in the world in terms of data throughput. Additionally, the satellite control center of the European Space Agency (ESA) is located in Darmstadt.

Hesse is also an important location for creative industries such as advertising and marketing, public relations, press and film (20,000 companies with around 117,000 employees, sales of 11.7 billion euros). Frankfurt is outstandingly rich in tradition as a trade fair location in Germany and one of the most important trade fair locations in the world. Messe Frankfurt (Frankfurt Trade Fair) has one of the largest exhibition grounds in the world and hosts over 250 events (trade fairs, congresses / meetings, concerts, sporting events, etc.) usually every year.

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<sup>1</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_de](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_de)

<sup>2</sup> [https://unfccc.int/files/essential\\_background/convention/application/pdf/english\\_paris\\_agreement.pdf](https://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf)

## 1.2 Hesse's sustainability strategy

As a leading European financial and manufacturing centre, Hesse assumes responsibility for future generations and strives to balance between economic growth and sustainable development. Since 2008, the Hessian state government pursues its sustainability strategy<sup>3</sup> aiming to enable businesses, academia, administration and the society to jointly find innovative solutions.

In 2019, the sustainability strategy was adjusted to highlight selected focus area (e.g. business initiative, municipalities and education on sustainable development). In 2015, the Hessian state government committed that Hesse will become climate neutral by 2050 – a long-term climate protection objective. As part of Hesse's sustainability strategy, the state government decided to define climate protection and climate change adaptation as focus area in 2015. A committee, which includes experts from academia, business, society, municipalities, state government and administration was tasked to establish and to implement the Integrated Climate Protection Plan Hessen 2025. The members of the committee provided procedural and substantive recommendations.<sup>4</sup> In March 2017, the Integrated Climate Protection Plan Hessen 2025 (ICPP)<sup>5</sup> was adopted by the cabinet and includes over 140 measures for climate protection and adaptation to the consequences resulting from climate change. ICPP is the central instrument to achieve Hesse's climate protection targets.<sup>6</sup> The 140 measures aim to meet the Hessian climate protection targets and to implement climate change adaptation measures. In 2019, it was decided to reduce Hesse's greenhouse gas emissions by 55 percent by 2030, and by at least 90 percent by 2050, compared to the 1990 baseline level. The ICPP supports the EU and federal government's climate policy with Hesse's legally available resources including various measures aimed at promoting the implementation of federal and EU climate protection requirements in Hesse.

Therefore, the climate protection plan includes numerous educative and promotional measures and creates incentives, for example, for efficient energy usage or technical optimisation, including advisory programs on energy efficiency, the expansion of climate-friendly mobility, ecological flood protection, and support programs for greening of buildings and yards as well as comprehensive education programmes on climate protection.<sup>7</sup>

In addition to the overarching strategy, the federal state works together with municipalities in form of the alliance "Hessen aktiv: Die Klima-Kommunen" ("Hessen active: The climate municipalities"): Climate protection can only be achieved by taking action on all political levels, especially since municipalities represent the most important partner for federal state in terms of implementation of local measures. Meanwhile, over 295 municipalities are represented in the alliance.

The centre on climate change and adaptation integrated into Hessian State Agency for Nature Conservation, Environment and Geology investigates climate change and its consequences for Hesse in numerous projects and provides suitable information and advisory service on measures for climate change adaptation to different target groups. The State Energy Agency takes over central tasks in the implementation of the energy transition and climate protection

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<sup>3</sup> <https://www.hessen-nachhaltig.de/de/nachhaltigkeitsstrategie.html>

<sup>4</sup> <https://www.hessen-nachhaltig.de/klimaschutz-und-klimawandelanpassung.html>

<sup>5</sup> [https://umwelt.hessen.de/sites/default/files/media/hmue/v/integrierter\\_klimaschutzplan\\_web\\_barrierefrei.pdf](https://umwelt.hessen.de/sites/default/files/media/hmue/v/integrierter_klimaschutzplan_web_barrierefrei.pdf)

<sup>6</sup> <https://www.klimaschutzplan-hessen.de/ein-plan-fuer-hessen>

<sup>7</sup> <https://umwelt.hessen.de/klima-stadt/hessische-klimaschutzpolitik/integrierter-klimaschutzplan-hessen-2025>

on behalf of the Hessian state government. The state's climate support directive<sup>8</sup> supports municipalities in the implementing of their climate protection and adaptation measures. With the CO<sub>2</sub>-neutral state administration project, the state government has set the goal to become climate-neutral by 2030.

The Hessian state government is also a member of „Under2 Memorandum of Understanding“<sup>9</sup>. The signatories including regions and municipalities work together on solutions for climate protection. The Hessian Minister for Environment and Climate Protection Priska Hinz signed the Memorandum of Understanding for Hesse on December 9, 2015 at the climate change conference in Paris.<sup>10</sup>

The Hessian coalition agreement says:

*„Our planet is threatened by climate change, the loss of biodiversity and pollution. The preservation of creation and the preservation of our natural livelihoods for us and future generations is and will remain one of the most urgent challenges.“<sup>11</sup>*

### 1.3 Green and Sustainable Finance

Hesse considers sustainable and green finance as a key driver in the transition towards a more sustainable economy. The Hessian state government wants to support that capital flow from the private sector towards climate-friendly and sustainable economic activities. Therefore, Hesse is engaged in the Green and Sustainable Finance Cluster Germany e.V., the central financial market initiative in the field of Green and Sustainable Finance, which Hesse launched in 2017 together with actors from academia and the financial industry and is supported by leading financial market participants.

The cluster promotes the sustainable orientation of the financial centre which supports the transformational process of the whole economy. At the same time, Hesse is pursuing the goal of making Germany together with its main financial centre, Frankfurt, a leading hub for green and sustainable finance.

On a national level, the management of the cluster chairs the advisory board of the federal government and advises it on the development and implementation of Germany's Sustainable Finance Strategy. At the European level, the cluster contributed to the recommendations of the Technical Expert Group provided to the EU Commission on the overarching design of the so-called EU taxonomy, an EU-wide classification system to clearly categorize economic activities as environmentally sustainable. Now the cluster is also represented in the EU Commission's new advisory body, the so-called platform for sustainable finance, which is involved in the possible development of a taxonomy for environmentally harmful economic activities and for economic activities with low environmental impact. At the international level, the cluster is a member of the international network of Financial Centres for Sustainability.

In addition, the cluster does important practice-relevant work to support companies in their transformation. It is worth to highlight the guidance on TCFD provided by the cluster, which

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<sup>8</sup> [https://umwelt.hessen.de/sites/default/files/media/hmuelv/klima-richtlinie\\_barrierefrei\\_0.pdf](https://umwelt.hessen.de/sites/default/files/media/hmuelv/klima-richtlinie_barrierefrei_0.pdf)

<sup>9</sup> <https://www.under2coalition.org/under2-mou>

<sup>10</sup> <https://umwelt.hessen.de/energie-klima/hessische-klimaschutzpolitik/hessische-klimaschutzpolitik>

<sup>11</sup> Page 4 of the Hessian coalition agreement for the 20. legislative period

supports financial institutions in designing their business models to become more future-oriented and crisis-resilient by taking consideration on climate risks and opportunities into account. It also acts as platform for the implementation of the climate protection commitment, helping players of the German financial sector to align their product and service portfolio with targets on climate change. In addition, the cluster focuses on the development of the infrastructure for sustainable finance data and foster the dialogue with the real economy.

#### 1.4 Sustainability initiatives in Hesse since 2012

Since 2012, Hesse also follows a sustainable investment approach for the state's civil servants' pension reserve. A sustainable equity index implemented in 2012 is an essential part of the investment strategy. In 2019, the equity index was further tightened to reflect Hesse's responsibility in reducing CO<sub>2</sub>, resulting in exclusion criteria for the extraction of fossil fuels, among others. In the process, the proportionate CO<sub>2</sub> footprint of the equity investments was reduced by 75 percent. In 2019, Hesse was the first German state to join the UN Principles for Responsible Investment (UN PRI) with regard to the investments of civil servants' pension reserve.<sup>12</sup> In order to meet the increasing pension obligation for its civil servants in the future, Hesse established a special investment fund, the Hesse's civil servants' pension reserve, as early as 1999. Since 2005, in addition to the statutory provision, Hesse has made voluntary provision from the state budget to gradually build up a civil servants' pension partially following the redistributive model.<sup>13</sup>

Within the focus area on environment, Hesse has established the objective to create an ecologically sustainable and energy-neutral working environment for its employees, as well as making Hesse's policy ecologically sustainable for its citizens. Here, a core aspect is the financing of public transport and energy-efficient buildings. With the financing of such expenditures, Hesse aims to actively contribute to the reduction of greenhouse gas emissions and CO<sub>2</sub> emissions as well as to fulfil its responsibility towards its employees, citizens and the society.

#### 1.5 Ecologically sustainable funding of Hesse

In addition, Hesse is going to take a first step towards having its refinancing becoming ecologically sustainable. By issuing the green bond, Hesse wants to meet the evidently growing need of investors to invest financial resources in an ecologically sustainable way. After all, investors have increasingly recognised the risks resulting from environmental pollution and climate change – including heavy fines for issuers and reputational damage – and are increasingly taking this into account when making investment decisions. By issuing the green bond, Hesse tries to live up to the goals of Hessian politics: the reduction of global warming.

The Green Bond Framework forms the basis for issuing the green bond in compliance with international climate standards. The Green Bond Framework is intended to enable investors to achieve the desired and necessary transparency for this type of financial product.

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<sup>12</sup> See Hessian coalition agreement for the 20. legislative period, page 167

<sup>13</sup> <https://www.hessen.de/pressearchiv/pressemitteilung/hessen-tritt-der-initiative-prinzipien-fuer-verantwortliches-investieren-un-pri-bei-0>

Based on this framework, Hesse is about to issue its first green bond. By the green bond issuance, Hesse is able to finance and refinance eligible green expenditures, which comply with internationally recognised climate standards and address environmental issues. Details on eligible green expenditures, the Green Bond Framework and the Second Party Opinion are available on Hesse's website (<https://finanzen.hessen.de>).

Hesse has identified seven focus areas and ascribed strategic priorities to each of them (see figure 2 in Appendix 1 for more details):

- Eco-friendly Public Transport
- Measures concerning forests
- CO<sub>2</sub>-neutral state administration / energy efficiency of public buildings
- Climate protection plan
- Sustainable (waste) water management
- Organic farming and nature conservation
- Further climate and environmental protection measures

## 2 Presentation of the refinancing concept

By issuing the green bond Hesse refinances itself retrospectively; the funds raised contribute to the financing of three budget years immediately preceding the respective issuance of (green) state treasury bills (currently expenditures from 2018 to 2020). The proceeds from the issuance of the state treasury bills will be used within the framework of the state's central debt management system, and the proceeds from the issue of the state treasury bills will contribute to the financing of the state budget as a whole. There is only a non-material assignment to eligible green expenditures corresponding to the amount of proceeds. This is in line with recognised market standards. There will be no funds for the special fund "Hessens gute Zukunft sichern" in the green bond, but only funds for the general state budget.

All state treasury bills issued as green bonds rank pari passu with any other conventional instrument of the respective asset class; in addition to an issuance in benchmark format, these can also be smaller volumes or private placements. These issued liabilities correspond to a sufficient volume of eligible green expenditures. Refinancing through a green bond may only take place to the extent that the state has made eligible green expenditures.

## 3 Hesse's inaugural Green Bond 2021

### 3.1 Use of Proceeds

#### 3.1.1 Possible uses

Eligible green expenditures are expenditures made by the State of Hesse which are considered as ecologically sustainable ("green") due to its environmental or climate relevance for the seven focus areas (eco-friendly public transport, measures concerning forests, CO<sub>2</sub>-neutral state administration / energy efficiency of public buildings, climate protection plan, sustainable (waste) water management, organic farming and nature conservation, further climate and environmental protection measures). Expenditures for armaments, oil and coal as fossil fuels, shale gas / fracking, nuclear energy (e.g. production, transport, storage and power generation) or tobacco were and are excluded from being eligible.

#### 3.1.2 Implementation of and orientation towards internationally recognised market standards

This Green Bond Framework is aligned with the internationally recognised market standards (Green Bond Principles (ICMA, 2018) <sup>14</sup>) and includes the following five core components:

- (i) Use of proceeds,
- (ii) Project evaluation and selection process,
- (iii) Management of proceeds,
- (iv) Reporting and
- (v) External verification.

Hesse supports the European Union's efforts in strengthening the foundations for sustainable investments. Key points of the current draft of the EU Green Bond Standard<sup>15</sup> as well as the EU taxonomy for sustainable finance<sup>16</sup> have been considered when formulating this Green Bond Framework taking the six environmental goals of the EU taxonomy into account. Hesse will monitor the future development of the Green Bond Principles, the EU Green Bond Standard and the EU taxonomy for sustainable finance and will take them into consideration in future developments of the Green Bond Framework.

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<sup>14</sup> <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

<sup>15</sup> [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-green-bond-standard\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-green-bond-standard_en)

<sup>16</sup> [https://ec.europa.eu/commission/presscorner/detail/de/ip\\_19\\_6793](https://ec.europa.eu/commission/presscorner/detail/de/ip_19_6793)

### 3.1.3 Mapping of eligible green expenditures

The following list of categories of expenditure is based on Hesse's strategic priorities of the seven focus areas. In addition, the Green Bond Framework takes into account the categories of the ICMA Green Bond Principles and the United Nations Sustainability Development Goals (UN SDGs):

| Strategic priorities of focus areas   | Description of eligible green expenditures   | ICMA GBP Categories   |
|---|--|---|
|   |  | UN SDGs   |
| <b>Eco-friendly public transport</b><br>   | <p>Expenditures to promote and to improve sustainable and environmentally friendly transportation systems</p> <p>Examples of eligible green expenditures:</p> <ul style="list-style-type: none"> <li>Expenditures to promote more climate-friendly modes of transport and its usage</li> <li>Investments for the development of bicycle infrastructure and for the promotion of bicycle traffic</li> </ul>   | <p><i>Clean transportation</i></p>   |
| <b>Measures concerning forests</b><br>   | <p>Expenditures promoting reforestation and restoration of forest damage in order to strengthen the climate resilience of Hessian forests</p> <p>Examples of eligible green expenditures:</p> <ul style="list-style-type: none"> <li>Expenditures to finance the 12-point plan for the afforestation of Hessian forests and to restore forest damage</li> <li>Expenditures for forestry measures with the services „Natural forest management, wood conservation facilities, afforestation as well as forestry mergers“</li> </ul>   | <p><i>Environmentally sustainable management of living natural resources and land use</i></p>  |
| <b>CO<sub>2</sub>-neutral state administration / energy efficiency of public buildings</b><br> | <p>Expenditures to reduce energy consumption and emissions from public buildings</p> <p>Examples of eligible green expenditures:</p> <ul style="list-style-type: none"> <li>Expenditures to increase energy efficiency and to promote the use of renewable energy, as well as to promote energetic renovation of public buildings</li> <li>Investment program to implement the goals of the Hessian Energy Act</li> </ul>  | <p><i>Green buildings</i></p> <p><i>Energy Efficiency</i></p> <p><i>Renewable Energy</i></p>   |
| <b>Climate protection plan</b><br>   | <p>Expenditures to finance Hesse's integrated climate protection plan (ICCP) aiming to achieve the climate goals as well as adaptations to the consequences of climate change</p> <p>Examples of eligible green expenditures:</p> <ul style="list-style-type: none"> <li>Expenditures to finance the State Energy Agency, which develops and provides targeted information and consultancy services on measures for energy efficiency, renewable energy and climate protection</li> <li>Participation in the federal program „Energy efficient university campus“</li> </ul> | <p><i>Energy Efficiency</i></p> <p><i>Renewable Energy</i></p>                                 |

|   |  |   |
|---|--|---|
| <b>Sustainable (waste) water management</b>                                       | <p>Expenditures for the preservation and restoration of natural waters, improvement of the water quality and the development of flood protection</p>   | <p><i>Sustainable water and wastewater management</i></p> <p><i>Adaptation to climate change</i></p>  |
|  | <p>Examples of eligible green expenditures:</p> <ul style="list-style-type: none"> <li>- Expenditures for the development of flood risk management plans and the construction of appropriate protection systems</li> <li>- Expenditures for the conservation and improvement of water quality</li> </ul>           |   |
| <b>Organic farming and nature conservation</b>                                    | <p>Expenditures to promote organic farming areas</p>   | <p><i>Environmentally sustainable management of living natural resources and land use</i></p>   |
|  | <p>Examples of eligible green expenditures:</p> <ul style="list-style-type: none"> <li>- Expenditures to promote low-carbon farming and climate-friendly and organic practices</li> <li>- Expenditures to finance advisory and information events for low-emission farming and horticultural businesses</li> </ul> |   |
| <b>Further climate and environmental protection measures</b>                      | <p>Expenditures to promote energetic renovations and European innovation partnerships, among others</p>  | <p><i>Green buildings</i></p>   |
|  | <p>Examples of eligible green expenditures:</p> <ul style="list-style-type: none"> <li>- Expenditures for the promotion of European innovation partnerships</li> <li>- Expenditures for the promotional program „Energy Efficiency in rental housing “</li> </ul>  |    |

Figure 1: Strategic priorities of focus areas

### 3.2 Project evaluation and selection process

In connection with the Hessian green bond, a so-called Interministerial Working Group (IMWG) has been established.

The IMWG combines expertise of multiple ministries: The IMWG, chaired by the Hessian Ministry of Finance (HMoF), consists of representatives from debt management office as well as appointed ministerial representatives from the departments responsible for the respective relevant budget titles (economics / energy / transport / housing, environment / climate protection / agriculture / consumer protection, interior / sports, higher education, research/ art, construction and finance).

The IMWG makes relevant decisions including, among others, the validation of the Green Bond Framework, the assessment of the eligibility criteria as well as the selection of eligible green expenditures and the validation of the corresponding allocation and impact reports. The IMWG reviews eligible green expenditures in principle on an annual basis.

Employees of debt management office record all necessary input received from the respective ministries and pre-screen past expenditures to determine their eligibility for the portfolio of eligible green expenditures in coordination with the IMWG. On that basis, the employees of the debt management office establish an initial list of potential eligible green expenditures. This list of potential eligible green expenditures is reviewed by IMWG and eligible green expenditures are selected based on the eligibility criteria defined for the use of proceeds in section 3.1 of this Framework. It should also be emphasised that Hesse is bound by the legal obligation of the administration (Art. 20 Basic Law for the Federal Republic of Germany) to comply with national legislation as well as international standards and conventions, which require a minimum standard of environmental protection and social norms. These principles are taken into account when making budget expenditures.

The qualification of the use of proceeds as eligible green expenditure as well as the mapping to the respective focus area are recorded in an excel file managed by the state. Apart from this, reference is made to the state budget.

### 3.3 Management of proceeds

The Hessian Ministry of Finance will be responsible for issuance of the green bond. The allocation and monitoring of the proceeds is based on the state budget planning adhering to the principle of non-committed total coverage. This means that by virtue of the statutory principles all state income is used to cover all state expenditures and that all cash inflow is used to cover all cash outflow. The virtual allocation of the proceeds from the green state treasury bills to the eligible green expenditure is carried out by IMWG. An equivalent of proceeds raised should be mapped to eligible green expenditures made in the three preceding budget years. Hesse intends to fully allocate the proceeds within one year after the issuance of the respective green bond. Unallocated proceeds are managed according to the general liquidity guideline until full allocation. Eligible green expenditures can be added, revised, or replaced to the extent necessary as part of the allocation process.

### 3.4 Reporting

Hesse will provide a green bond report on its website (<https://finanzen.hessen.de>), which will be published annually from the year following the issue until the bond proceeds have been fully allocated. The Hessian Ministry of Finance will be responsible for the reporting provided to investors.

Hessen is committed to provide a transparent reporting on the allocation regarding eligible green expenditures (allocation report). The allocation report will include details regarding the allocation of the green bond proceeds to the eligible green expenditures.

The reporting will also contain an independent impact report which will provide quantified environmental impact metrics, assessed and published, as a general rule, one year after the respective issuance. The impact report may be valid for several years and may be updated if appropriate. It contains the allocation of the expenditures and impact metrics (CO<sub>2</sub> savings or other climate-related performance indicators) on an aggregated basis for each expenditure category. The impact report may include the following information: quantitative information on environmental impacts or relevant performance indicators (e.g. km<sup>2</sup>, funding amount, number of projects), analytical reports on the environmental performance of the selected expenditure and the presentation of expenditures.

### 3.5 External review

Hesse engaged an independent third-party to provide an external review on its Green Bonds Framework prior issuing its inaugural green bond. This Second Party Opinion (SPO) is published on the website of the State of Hesse (<https://finanzen.hessen.de>).

## 4 Conclusion

Hesse is aware of the influence of its actions on the environment and climate protection as well as its responsibility for society and its future. The issuance of the green bond is a manifestation of this responsibility. By financing eligible green expenditures in the focus areas of eco-friendly public transport, measures concerning forests, CO<sub>2</sub>-neutral state administration / energy efficiency of public buildings, climate protection plan, sustainable (waste) water management, organic farming and nature conservation and further climate and environmental protection measures through the issuance of green bonds, Hesse acts as multiplier and provide support at all levels of governmental and societal dimensions. Hesse measurably promotes the reduction of CO<sub>2</sub> emissions and promotes public awareness for environmentally supportive behaviour in society. The Green Bond Framework provides the required level of transparency required by investors.

## Appendix 1: Breakdown

The following breakdown of eligible green expenditure based on the strategic priorities of the focus areas:

| in €m  | 2018          | 2019          | 2020          |
|--|---------------|---------------|---------------|
| Description  | Expenditures  | Expenditures  | Expenditures  |
| Eco-friendly public transport  | 82.11         | 87.03         | 132.17        |
| Measures concerning forests  | 39.16         | 52.54         | 58.15         |
| CO2-neutral state administration / energy efficiency of public buildings | 37.04         | 24.47         | 23.56         |
| Climate protection plan  | 3.40          | 2.90          | 13.83         |
| Sustainable (waste) water management                                     | 22.77         | 12.56         | 14.06         |
| Organic farming and nature conservation                                  | 8.18          | 16.48         | 16.19         |
| Further climate and environmental protection measures                    | 5.00          | 3.00          | 0.50          |
| <b>Eligible green expenditures made</b>                                  | <b>197.66</b> | <b>198.98</b> | <b>258.45</b> |
| <b>Maximum amount for green bond issuance</b>                            |               |               | <b>655.09</b> |

Figure 2: Breakdown by strategic priorities of the focus areas

## Appendix 2: Disclaimer

This Green Bond Framework serves general information purposes only. It is not, and should not be interpreted as, an offer or solicitation of an offer to sell any Hessian State Treasury Bonds and it is not, and should not be interpreted as a solicitation of an offer to purchase, subscribe for or otherwise acquire Hessian State Treasury Bonds. This Framework does not constitute a contract or other agreement and it may also not be used as a basis in connection with a contract or other agreement. Future investors must make their own independent investment decisions based on current information at the time of investment.

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The allocation of funds is purely an intention of the issuer to use the proceeds of the State Treasury Bonds for appropriate Green Spending, but there is no contractual obligation to do so. In addition, there can be no assurance that the effects or results originally anticipated or expected will be achieved. No guarantee can be given that the use of proceeds of the State Treasury Bonds to Appropriate Green Spending will meet, in whole or in part, the current or future expectations or requirements of investors with respect to investment criteria or policies with which such investors or their investments must or may wish to comply under current or future applicable laws or regulations or under their own rules or other applicable rules or investment mandates, particularly with respect to direct or indirect environmental impacts of projects or uses and with respect to "Appropriate Green Spending".

The Hessian Green Bond is not an EU Green Bond standard instrument. It is aligned with the ICMA Green Bond Principles at the time of issuance of the State Treasury Bond, but not necessarily in any further development. The SPO's peer review of the Green Bond Framework is no guarantee or assurance with regard to any specific status or understanding on the part of the investor regarding the question what constitutes a Green Bond. The SPO is not, and shall not be deemed to be, part of this Green Bond Framework. The SPO is no recommendation to buy, sell, or hold State Treasury Bonds. Currently, providers of these types of assessments and certifications are not subject to any specific regulation, another regime or another supervision. Potential investors must determine for themselves the relevance of the SPO and/or the information contained therein and/or the provider of the SPO for the purpose of investing in State Treasury Bonds.

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