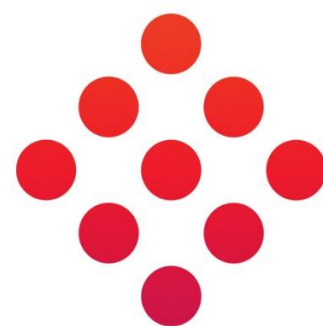




Green Bond Framework

October 2021



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Introduction

With 100 years of experience on the Israeli financial market, Bank Hapoalim B.M. (“Bank Hapoalim” or the “Bank”) serves its customers through an extensive network of branches and commercial banking activities, across all areas of banking, and through providing a broad range of banking and financial services.

The Bank employs more than 7,700 employees and operates in the various areas of banking, as well as related activities in the capital markets, through three key divisions:

- ◆ The Corporate Banking Division provides services to most of our business customers; corporate clients are served by industry-specific banking experts in each sector, while business centers are available across Israel for middle-market clients.
- ◆ The Retail Banking Division provides services to households, private-banking customers, and small businesses, through the branch network, advising centers, and mobile branches, as well as a range of direct channels: widely deployed self-service stations, an innovative and advanced website and mobile app, the Poalim by Telephone call center, and social media.
- ◆ The Financial Markets and International Banking Division oversees most of the bank’s activities in the capital markets, in Israel and overseas, including services for securities trading, securities custody, and trading in currencies and derivatives; research and advisory services; and services for financial-asset managers.

In addition to its banking business, Bank Hapoalim has related capital-market activities: investment portfolio management, through the subsidiary Peilim, and investment banking, through the subsidiary Poalim Equity.

For further details, please visit: <https://www.bankhapoalim.com/en/about-us>

Sustainability Strategy

As a leading financial organization, we have a significant financial, social, and environmental impact on the Israeli economy. This impact commits us to ensure that, as an integral part of the operation of our business, our actions promote social and environmental values to the benefit of our customers and all of our stakeholders.

We are committed to coping with the crucial challenge of climate change. In 2020, we continued to embed the ESG perspective in the bank's core business and to work to reduce our carbon footprint, while leading the banking system in financing projects that help to promote green environment and renewable energies. We expanded our services for our customers to include advisory on responsible investments, and continue to develop social deposits and ESG Structured Products. Financing granted by the Bank for green projects doubled in 2020. Key highlights included a 58% reduction in the total carbon footprint of the Bank over the last decade and a 6% reduction in 2020. Bank Hapoalim also provided total financing of NIS 10.6 billion for projects related to renewable energy, green buildings, green transportation and waste recycling, as well as NIS 284 million in solar credit (credit specifically for the installation of solar panels by private and business customers).

On the social and governance side, we, for example, suspended payments on NIS 42.5 billion of loans and mortgages in 2020, to allow customers to successfully navigate the coronavirus crisis and NIS 5.7 billion in credit to support mid-small business during coronavirus crisis, as part of the participation in government guarantee scheme. 54% of the management tier at the bank currently consists of women and we are proud that our Corporate Responsibility Reports published since 2008, are in accordance with the GRI Standards: Comprehensive Option (the highest level of transparency).

To maintain momentum and to assure Bank Hapoalim's ESG leadership position, we have defined our key ESG ambitions for 2030:

- ◆ Increase financing and investments in projects promoting a green environment to NIS 20 billion, while managing environmental and climate risks in our business activities.
- ◆ Reduce the total carbon footprint of the Bank by an additional 60% by year end 2030 from a baseline of 45,003 tCO₂e for the year 2020.
- ◆ Raise the percentage of bank employees from under-represented population groups¹ to 15% by year end 2030 from a baseline of 11.7% as at year end 2020.
- ◆ Increase the representation of women in senior management at the bank to 50% by year end 2025 from a baseline of 38% as at year end 2020.

We are committed to upholding responsible banking standards, incorporating environmental and social ethics into our business decisions, and continuing to promote sustainable financing and responsible investment.

¹ According to the definition of the Israeli Forum for Employment Diversity, these groups primarily include people from the ultra-orthodox (Haredi) community, people from the Arab community, Israelis of Ethiopian descent, and people with disabilities.

Responsible action to protect the environment and reducing our emissions

Within the social responsibility of the bank and its commitment to protecting the environment, we develop credit products for our business and retail customers aimed at financing activities that promote sustainability and the protection of the environment. These include financing solutions for the construction of systems that generate clean energy, green transportation, green building, infrastructures for recycling and responsible disposal of waste, and more.

Beyond our commitment to facilitating our clients, we devote environmental management to areas directly affected by our business activities. In an effort to further decrease our environmental footprint, Bank Hapoalim monitors the main components of its activity that contribute to the emission of greenhouse gases. The Bank joined the voluntary greenhouse-gas reporting system of the Ministry of Environmental Protection in 2010. Since then, we have reported to the recording system in accordance with the established methodology. Indirect energy consumption (Scope 2) for electricity is the most significant factor in the bank's carbon footprint. Measures are being taken to improve efficiency and reduce consumption. We also manage and monitor other indirect emissions in the supply chain, such as in paper production, water consumption, employee flights, and more.

Key areas of focus include, but are not limited to:

- ◆ The development of environmentally-friendly services and products;
- ◆ The management of environmental risks in project financing;
- ◆ The reduction of our energy consumption and increased measures of energy efficiency;
- ◆ Green transportation and reduction of fuel consumption through the addition of electrical vehicles to the bank's fleet, with home charging stations provided;
- ◆ The reduction in our consumption of paper resources through our Paperless Bank project with an estimated savings of 202 million pages of paper per year once fully implemented;
- ◆ Green purchasing (office supplies and peripheral computer equipment);
- ◆ The consumption of water resources (through Installation of reclaimed water systems to treat gray water at suitable buildings of the bank)
- ◆ Waste – reuse, recycling, and responsible disposal;
- ◆ Enhancing employees' environmental awareness, mobilizing and engaging them in the process of reducing individual environmental impacts within the activity of the bank, and turning them into agents of change in their home and family.

All our measures taken are directly tied to our aspiration to continue to reduce greenhouse-gas emissions resulting from our activity each year and to reduce our total carbon footprint by a further 60% by 2030.

Responsible investments

Investments examined based on environmental, social, and governance (“ESG”) parameters have gained momentum worldwide over the last few years, and are on a continued upward trend

As awareness of this type of investment has grown globally, it is also rising among institutional investors in Israel. Bank Hapoalim has chosen to promote this approach to its customers, both by reflecting the ESG scores of global companies in its advisory systems and by developing targeted financial products.

We are the first bank in Israel to offer interested customers investment recommendations on global equities and bonds of companies with high ESG ratings in investment advisory sessions. We also launched unique, exclusive savings plans with a positive social and environmental impact:

- ◆ **Social Benefit Deposit (Good Cause Savings Deposit)** – At the outbreak of the coronavirus crisis, we launched a deposit allowing customers to save and earn interest while having a positive impact, through donations by the Bank that match the interest accrued on the deposit. Due to the deposits in this plan, Bank Hapoalim donated NIS 200,000 to non-profit organizations working for the well-being of the population segments most vulnerable to the consequences of the coronavirus crisis, including elderly people, families in need, and Holocaust survivors.
- ◆ **Green Deposit** – A product developed by the bank in collaboration with the non-profit environmental organization 'Zalul', allowing customers to save while promoting a green environment. Bank Hapoalim donates an amount equal to the interest accrued on the deposit to 'Zalul', for a joint venture with the 'Israel Association of Community Centers' aimed at reducing the use of plastic in preschools in peripheral regions.
- ◆ **ESG Structured Deposit** – A deposit tracking the performance of 10 global equities with high ESG ratings, with a contingent bonus derived from their performance over a predefined period. The Bank introduced three ESG structured deposits in 2020.

In addition to encouraging responsible investment among its customers, Bank Hapoalim includes ESG considerations in its own proprietary investment portfolio, invests in ETFs tracking global equities with high ESG ratings, and performs impact investments in companies promoting social and environmental values through its subsidiary, Poalim Equity.

Adoption of responsible initiatives and transparent reporting

Bank Hapoalim is committed to its partnership with organizations working towards sustainability and CSR, and has adopted international standards of responsible conduct:

Maala² – Bank Hapoalim joined Maala in 2006 as a member of the organization’s business leadership. In the Maala ratings for 2020, the bank earned the top ranking of all companies in Israel and of all banks for the third consecutive year, placing in the Platinum Plus category. The Bank also appears on Maala's stock-market index, which consists of all of the public companies rated by Maala and traded on the TASE.

UN Global Compact – During 2010, Bank Hapoalim joined this UN initiative aimed at promoting economic development that is beneficial for the community and for future generations. Since then, the Bank has ensured that the principles of the compact are implemented in its activities. The sustainability report also serves as a COP (Communication on Progress) for the Global Compact.

Voluntary reporting system on greenhouse-gas emissions in Israel – In 2010, Bank Hapoalim was one of the first organizations to join the voluntary system for recording greenhouse-gas emissions. This system is a joint initiative of the Ministry of Environmental Protection and the Manufacturers’ Association. The bank updates this data and reports to the ministry annually.

Our ESG Reports are available at:

<https://www.bankhapoalim.com/en/investor-relations/social-responsibility>

Managing environmental risks in financing

In recognition of the importance of environmental risk management within credit risk management, Bank Hapoalim examines environmental risk within underwriting processes and ongoing review of obligors, using a formalized methodology.

Environmental risk management at the bank is performed based on a global view of the bank’s activity with due attention to the activity of its subsidiaries, based on policy formulated and approved by the board of directors of the bank.

Financial and operational risk control and assessment are performed based on a uniform methodology at Group level, with guidance from the Risk Management Division, taking into consideration the unique characteristics of each subsidiary's activities. Key principles of environmental risk exposure management in financing are related to the:

- ◆ Management of environmental risk from the perspective of the overall exposure of the bank to the risk;
- ◆ Management of exposure to credit risks both at the level of the overall corporate credit portfolio and at the level of individual credit transactions;
- ◆ Management of investment risks – exposure to environmental risk in the direct investments of the bank is managed applying a methodology identical to risk management in credit activities.

² Maala is an umbrella organization for 120 of the leading companies in Israel, dedicated to the promotion of corporate responsibility issues and the development of responsible management standards in Israel.

To further expand the environmental and climate risk management framework at Bank Hapoalim, we are currently preparing to formulate an annual and multi-annual work plan, which will be based on comparative examination of regulation, position papers, supervisory expectations, and best practices, with specific emphasis on the emerging risk of climate-change, both within the physical risk and transition-risk components.

The bank examines adopting a number of practical measures in areas such as training and enhancement of knowledge; embedding environmental and climate risks in the risk map of the bank as developing risks; expansion of the tools and methods applied by the bank to identify, assess, and manage environmental and climate risks; considering updates of policies and procedures; and more.

Bank Hapoalim and the Sustainable Development Goals (SDGs)

The SDGs consist of seventeen goals for 2030, addressing issues including the reduction of inequalities, investment in education, infrastructures, economic growth, coping with the climate crisis, and more. In September 2015, Israel joined 192 United Nations member countries in adopting the resolution to take part in the attainment of the SDGs.

As one of the largest financial entities in Israel, our routine activity contributes to the realization of some of the global goals for sustainable development, by making financial services accessible, financing renewable-energy and infrastructure projects, investing in the community, and promoting financial education, among other means. Initiatives and actions of the Bank that contribute to the realization of the global goals on a local level are described extensively in our ESG report referenced above.

Alongside the promotion of the some of the SDGs in the course of our routine activities, we have chosen to focus on certain goals based on two criteria: the extent of the bank's ability to affect the attainment of the goal, and its relevance to our business criteria were rated based on both present and potential activities. Key SDGs identified are:



As part of our commitment to this issue, we also support the Sustainability Compass, an Israeli social project modeled on the global SDG Compass project. The goal of the Sustainability Compass is to adapt the seventeen SDGs to Israeli society in general, and to the Israeli business sector in particular.

ESG ratings

We are proud to find our endeavors also reflected in the ratings of Bank Hapoalim on international ESG indices, which have continued to improve each year. Bank Hapoalim is currently rated by Sustainalytics, MSCI, Bloomberg, Vigeo Eiris and S&P. Bank Hapoalim's ESG ratings lead the Israeli banking system and are aligned with the top tier of banks in the world. As of May 2021, Bank Hapoalim had the following ratings in industry recognized ESG indices:

- ◆ Bloomberg Gender-Equality Index score of 70.5 – higher than both the financial sector and overall index average
- ◆ S&P Global ESG Score of 59 – top 77th percentile in the global banking sector
- ◆ Sustainalytics score of 19.8 – low risk level, together with 86th percentile in global banking sector and management score of 56.7 (strong management)
- ◆ MSCI score of AA – second highest rating tier
- ◆ Vigeo Eiris score of 48 - #1 rank bank in regional ratings (Middle East-Africa) and top 12% of companies globally

Rationale for issuance

Sustainable investments and financing need significant scaling up in order to reach the United Nations' Sustainable Development Goals, and the objectives of the Paris Agreement. By establishing this Framework under which green bonds (each, a "Green Bond") may be issued, Bank Hapoalim wishes to emphasize its intentions to contribute to the transition to a low carbon economy allowing fixed-income investors an opportunity to support our objectives in this area, as well as helping to meet investors' own responsible investment objectives.

In 2020, we promoted responsible investment at the bank, in view of the growing awareness of this area around the world and among investors in Israel. We accord high importance to responsible investment, and we will continue to pursue progress in this area in the coming years.

Alignment with Market Principles

The Green Bond Principles, 2021 (GBPs)³ are voluntary process guidelines that recommend transparency, disclosure and promote integrity for best practices when issuing Green Bonds. This Framework aligns with the four core components of the Green Bond Principles. Bank Hapoalim has also taken into account the developing EU Taxonomy on environmentally-sustainable economic activities⁴ in developing eligible Uses of Proceeds. This Framework may be updated from time to time and, subject to any such updates, will govern Bank Hapoalim's future green financings.

Use of Proceeds




An amount equal to the net proceeds raised by the issuance of the relevant Green Bond will be used to finance or re-finance, in whole or in part, projects, loans, investments and expenditures that meet the criteria specified below ("Eligible Projects").

Where a business or project derives 90% or more of revenues from activities that align with the eligibility criteria set out below, financing provided by the bank to such business or project can be considered as allocated towards Eligible Projects even if the financing is used by the borrower for general purposes, so long as the financing does not fund activities listed in the exclusions section set out below. Allocations to Eligible Projects may include off balance sheet obligations such as credit lines, guarantees and letters of credit.

Bank Hapoalim intends to allocate an amount equal to the net proceeds raised by the issuance to the Eligible Green Projects where financing has taken place: (i) during the current year of issuance or during the two calendar years prior, and/or (ii) where financing takes place during the three calendar years following the date of issuance.

³ <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp>

⁴ https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

Eligible Green Categories	Eligibility Criteria	Relevant Sustainable Development Goals
Renewable Energy	Financing related to construction, operation, maintenance and refurbishment of Renewable Energy projects including hydropower ⁵ (pumped storage), wind and solar	SDG 7 – Affordable and Clean Energy 
Pollution Prevention and Control	Financing of waste management projects including waste sorting, separation and recycling, and energy recovery from waste; land rehabilitation and remediation projects	SDG 11 - Sustainable Cities and Communities 
Clean Transportation	Financing of clean transportation including electric mass transit (such as electrified rail and supporting infrastructure), Battery Electric Vehicles, EV charging infrastructure and hydrogen based vehicles	SDG 11 - Sustainable Cities and Communities 
Green Buildings (including financing relating to construction, acquisition and renovation)	<p>Financing of buildings constructed in accordance with Israel Ministry of Environmental Protection Standards (SI 5281, 5282 and / or 1045)</p> <p>Financing of buildings achieving the following certifications:</p> <ul style="list-style-type: none"> ◆ LEED⁶ (Platinum or Gold) ◆ BREEAM⁷ (Outstanding or Excellent) <p>Financing of buildings falling into Top 15% of most energy efficient buildings in a local context</p> <p>Financing of buildings where the net primary energy demand of the new construction is at least 10% lower than the primary energy demand resulting from the relevant NZEB⁸ requirements; and or:</p> <p>Financing of building renovations where the renovation achieves savings in net primary energy demand of at least 30% in comparison to the baseline performance of the building before the renovation</p>	SDG 11 - Sustainable Cities and Communities 

Energy Efficiency

Financing related to investments in energy and resource efficiency, including:

- ◆ Improvements on energy efficiency in various sectors, such as retrofit of heating systems, refrigeration systems, heating ventilation, air conditioning and lighting equipment
- ◆ Energy efficiency investments in high carbon intensive sectors primarily driven or powered by fossil fuels are excluded

SDG 9 – Industry, Innovation and Infrastructure



Exclusions

Allocations of the net proceeds raised by the issuance will be made strictly in accordance with the Use of Proceeds requirements as specified above. For the avoidance of doubt, no allocations to activities in the fossil fuel, nuclear, defense, alcohol, tobacco or gambling industries will be made.

Process for Project Evaluation and Selection

To ensure that allocations are made to Eligible Green Projects as specified above, Bank Hapoalim will establish a Green Bond Committee.

The Green Bond Committee will be responsible for:

- ◆ Ensuring the proposed allocations are aligned with the relevant Bank Hapoalim policies and procedures concerning project development;
- ◆ Ensuring the proposed Eligible Projects are aligned with the categories and eligibility criteria as specified in the Use of Proceeds section above, and approving any proposed changes to the register of Eligible Green Projects in the event that the projects no longer meet the eligibility criteria (e.g. following divestment, liquidation, technology switch, concerns regarding ongoing alignment with eligibility criteria etc.); and,
- ◆ Reviewing and approving allocation and impact reports, where relevant.

⁵ Where hydropower facilities meet the following criteria: (i) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir, and/or (ii) Direct emissions threshold of <100g CO₂e/kWh and/or (iii) power density > 5W/m², per the EU Taxonomy technical screening criteria. For new hydro energy projects eligible projects will undergo appropriate environmental and social impact assessments and ensure no significant controversy

⁶ Leadership in Energy and Environmental Design - LEED: <https://www.usgbc.org/leed>

⁷ Building Research Establishment – BREEAM: <https://www.breeam.com/>

⁸ The threshold is based on ‘nearly-zero energy building’ (NZEB) requirements, which are defined in national regulation implementing the EPBD and are mandatory across EU Member States from 2021.

The Green Bond Committee will be comprised of the following representatives or their delegates:

- ◆ Head of Corporate Banking
- ◆ Head of Financial Markets and International Banking
- ◆ Chief Financial Officer
- ◆ CSR & ESG Manager

Bank Hapoalim's Green Bond Committee will meet on a semi-annual basis to review proposed allocations and ensure these are made to Eligible Projects in line with the criteria set out under "Use of Proceeds" above.

As part of its review of proposed allocations to Eligible Projects, the Green Bond Committee will evaluate the environmental and social risks associated with Eligible Projects and consider how they can be mitigated. The Green Bond Committee's analysis of risks and mitigants will leverage Bank Hapoalim's methodology for the management of environmental risks in financing is in accordance to the bank's current risk management framework as elaborated above.

Management of Proceeds

An amount equal to the net proceeds raised by any Green Bond will be allocated to Eligible Green Projects as specified in the "Use of Proceeds" section above. As described above, this process will be overseen by Bank Hapoalim's CSR & ESG Manager.

The CSR & ESG Manager will establish an internal register of Eligible Projects and will track allocations to the projects matched to the Green Bond proceeds. The internal register will be set up on the system managed by the CSR & ESG Manager, who will use the register to ensure that allocations approved by the Green Bond Committee are made in accordance with this framework. If any Eligible Green Projects no longer meet the eligibility criteria set out in this framework, Bank Hapoalim aims to substitute those projects with an eligible project, as soon as possible.

Pending allocation, proceeds will be held as cash deposits or otherwise in accordance with Bank Hapoalim's liquidity guidelines for short-term investments, in each case in compliance with the Exclusions set forth herein.

Reporting

Within one year of issuance, and annually thereafter until an amount equivalent to the net proceeds of any Green Bond issued are fully allocated, Bank Hapoalim will make available an External Report.

The External Report will include (i) an Allocation Report and (ii) an Impact Report, subject to the availability of suitable information and data. Where impact data is reported, details of the methodology applied in compiling the data will be provided. These reports will be made available publicly on Bank Hapoalim's website.

Allocation Reporting

Bank Hapoalim will provide information on the allocation of the net proceeds of its Green Bonds. It is anticipated that the annual Allocation Report will include:

- ◆ The total amount of proceeds allocated;
- ◆ The proportion of financing vs refinancing;
- ◆ The allocation to each eligible category; and
- ◆ The balance of unallocated proceeds

Impact Reporting

Bank Hapoalim will prepare an annual Impact Report on environmental impacts of its Eligible Projects, subject to the availability of information. Bank Hapoalim is specifically focused on the impact on GHG emissions of its Eligible Projects, and may include a selection of the following metrics in any impact reporting, in addition to any other metrics which become measurable and relevant for investors in future:



Eligible Green Categories	Indicative Impact Indicators
Renewable Energy	<ul style="list-style-type: none"> ◆ Installed capacity (MW) ◆ Energy generated (MWh/year) ◆ Estimated GHG emissions avoided through renewable energy (tCO2e) ◆ Number of household/residents financed with renewable energy or energy efficiency projects ◆ Number of companies financed with renewable energy or energy efficiency projects ◆ Number of solar farms, wind farms or hydro power plants
Pollution Prevention and Control	<ul style="list-style-type: none"> ◆ Number of waste treatment centres commissioned ◆ Volume of waste collected and processed
Clean Transportation	<ul style="list-style-type: none"> ◆ Estimated GHG emissions avoided (tCO2e) ◆ Number of electric/hybrid/low-emission vehicles financed
Green Buildings	<ul style="list-style-type: none"> ◆ Location and type of certified Green Buildings ◆ Number of certified buildings, types and levels of associated certifications ◆ Estimated GHG emissions avoided (tCO2e)
Energy Efficiency	<ul style="list-style-type: none"> ◆ Annual energy savings in (MWh) ◆ Estimated GHG emissions avoided (tCO2e)

Bank Hapoalim intends to align, on a best effort basis, the reporting with the portfolio approach described in the ICMA Handbook on Harmonised Framework for Impact reporting⁹.

External Review

Bank Hapoalim has appointed S&P Global Ratings to provide an independent Second Party Opinion report (“SPO”) on this Framework. The SPO is available at [https://www.spglobal.com/ratings/en/research/articles/public-sustainable-financing-opinion-reports.]

Bank Hapoalim also intends to commission an independent review within one year of any Green Bond issuance and annually thereafter, until full allocation of any Green Bond proceeds, with the intention of confirming that the Green Bond proceeds have been allocated in accordance with the Use of Proceeds specified in this framework document. Bank Hapoalim’s annual reporting and any related external review(s) will be available on the Bank Hapoalim website.

⁹ https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Handbook-Harmonized-Framework-for-Impact-Reporting-December-2020-151220.pdf

Disclaimer

This Green Bond Framework is intended to provide non-exhaustive, general information. This document contains and incorporates by reference public information not separately reviewed, approved or endorsed by Bank Hapoalim and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Bank Hapoalim as to the fairness, accuracy, reasonableness or completeness of such information.

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Bank Hapoalim does not undertake any obligation to update, modify or amend any part of this document or any statements, projections, expectations, estimates or prospects contained herein to reflect actual changes in them, or in factors affecting these statements, projections, expectations, estimates or prospects or to otherwise notify any addressee if any information, opinion, forecast, projections, expectations, estimates or prospects set forth herein changes or subsequently becomes inaccurate.

The addressee is solely liable for any use of the information contained herein and Bank Hapoalim shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of this document by the addressee.

In addition, it should be noted that all of the expected benefits of the projects as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy, changes in laws, rules or regulations, the lack of available suitable projects being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the anticipated benefits of these initiatives, including the funding and completion of eligible Green projects. In addition, each environmentally focused potential purchaser of Bank Hapoalim Green Bonds should be aware that eligible Green projects may not deliver the environmental benefits anticipated, and may result in adverse impacts. On this basis, all and any liability, whether arising in tort, contract or otherwise which any purchaser of Bank Hapoalim Green Bonds or any other person might otherwise have in respect of this Framework or any Bank Hapoalim Green Bonds as a result of any failure to adhere to or comply with this Framework is hereby disclaimed to the fullest extent permitted by law.

This Framework is provided as of the date hereof and represents current Bank Hapoalim policy and intent, and is subject to changes without notice and is not intended nor can be relied on, to create legal relations, rights or obligations. None of Bank Hapoalim, its subsidiaries or any of its affiliates assume any responsibility or obligation to update or revise any statements in this Framework, regardless of whether those statements are no longer binding Bank Hapoalim affected by the results of new information, future events or otherwise.

This Framework is provided for information purposes only is not intended to be and should not be construed as providing legal or financial advice. It does not constitute a recommendation regarding the purchase, sale, subscription or other acquisition or disposal of any debt or other securities of Bank Hapoalim and should not constitute any solicitation of any offer to subscribe for, purchase or recommendation regarding any securities. Any decision to purchase any Bank Hapoalim securities or Green Bond should be made solely on the basis of the information to be contained in any offering document or prospectus produced in connection with the offering or the listing of such securities or instruments and not upon this document. In particular, investors should pay special attention to any sections of such offering related documents describing any risk factors. Prospective investors are required to make their own independent investment decisions and seek their own professional advice, including an assessment of the legal, tax, accounting, regulatory, financial, credit or other related aspects of a purchase of any Bank Hapoalim Green Bond. Nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority.

The distribution of this Green Bond Framework and of the information it contains may be subject to legal restrictions in some countries. Neither this document 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.

No representation is made as to the suitability of any Bank Hapoalim Green Bond to fulfil environmental and sustainability criteria required by prospective investors and there is no certainty that the definition given by the bank to this framework as a Green Bond Framework is agreed upon or recognized by any other third party. Each potential purchaser of Bank Hapoalim Green Bond should determine for himself the relevance of the information contained or referred to in this Framework or the relevant instrument documentation for such Bank Hapoalim Green Bond regarding the use of proceeds, and its purchase of Bank Hapoalim Green Bonds should be based upon such self-investigation as it deems necessary.

Bank Hapoalim has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and investor reporting, in connection with Bank Hapoalim Green Bonds. However, it will not be an event of default or breach of contractual obligation under the terms and conditions of any Bank Hapoalim Green Bonds if Bank Hapoalim fails to adhere to this Framework, whether by failing to fund or complete eligible Green projects or to ensure that proceeds do not contribute directly or indirectly to the financing of any excluded activities, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on the usages of proceeds and environmental impacts as anticipated by this Framework, or otherwise.

