

Sustainability.

Landesbank Baden-Württemberg broke new ground in sustainability communications in 2009 with the presentation of its third sustainability report. The central source of information on this subject is the website, which has been fundamentally revised and is geared towards the international guidelines of the Global Reporting Initiative (GRI). The full report can be accessed at <http://nachhaltigkeit.lbbw.de>. Up-to-date articles on the issue of sustainability are also regularly made available on the internet.

With its 2007/2008 sustainability report, LBBW achieved first place in the banks segment in the 2009 rankings of the independent Institute for Ecological Economy Research (IÖW) and the business initiative future e.V. in the assessment of over 100 sustainability reports by German companies. In the overall rankings of large corporations, it came in ninth place.

Guidelines for Sustainability.

In spring 2009, the Board of Managing Directors and the specialized divisions of Landesbank Baden-Württemberg together approved binding guidelines on sustainability. These mark out the corridor within which LBBW will pursue its sustainability goals in its investment and lending business, in its human resources policy and in dealing with resources.

The sustainability guidelines describe and illustrate LBBW's position on important issues relating to sustainability. They specify the sustainability policy and thus represent a strategic statement on the weighting given to sustainability issues in decisions. Detailed information on the guidelines can be accessed online at <http://nachhaltigkeit.lbbw.de/leitplanken>.

Sustainable Investment Products.

The equity fund LBBW NachhaltigkeitsStrategie BWI is the first fund set up in Germany to have received the »European transparency logo for sustainable retail funds«. This indicates that the managers of the fund disclose investment criteria, research methods and the processes involved in the liquidation of individual investments in a transparent way, thereby strengthening the trust of investors.

In September 2009, the sustainable bond fund »LBBW Nachhaltigkeit Renten« was set up for institutional customers. This invests in government bonds, covered bonds and corporate bonds of companies or states that act in a more sustainable way than average. When selecting the securities, LBBW cooperates with analysts at oekom research AG, as with the equity fund. This not only ensures that the fund complies with the guidelines of churches, pension funds and other investors with a sustainable approach, but also offers a good opportunity for better value development than the market as a whole, as ethical, political and ecological risks are avoided. The fund is to be opened up to private customers in 2010.

LBBW has been the first German Landesbank to align itself with the »Principles for Responsible Investment« (PRI) of the United Nations. In doing so, it has pledged to pay more attention to issues relating to environmental protection, responsible management and social concerns in its investment strategies. One example of action planned by LBBW is to support companies and corporations in which the bank itself invests as an active shareholder. LBBW is also to cooperate with other signatories. The aim is to improve the effectiveness of the PRI principles and to report on progress.

Diversity Charter.

Landesbank Baden-Württemberg has been the first Landesbank to align itself with the initiative »Diversity as an opportunity - the diversity charter for companies in Germany«, which is supported by the German government. LBBW is thereby continuing its commitment to a fair and unprejudiced working environment. All employees should feel appreciated and recognized - regardless of gender, race, nationality, ethnic origin, religion, world view, disability, age, sexual orientation or identity.

In view of their importance for an open corporate culture, the issues of diversity and equal opportunities are dealt with by a diversity representative at the LBBW Group.

Sustainability Ratings.

In the sustainability ratings of Sustainalytics, LBBW received 70 out of 100 points. According to Sustainalytics, LBBW is therefore in second place out of 76 non-listed financial institutions at international level. Sustainalytics regards itself as an independent, innovative provider of »responsible investment services« and states it is one of the market leaders in Europe and North America.

In the ratings of Imug Investment Research, LBBW received the overall rating of »positive« as an issuer of public-sector covered bonds and mortgage-backed covered bonds. The rating is used as a basis for decisions by investors and asset managers with a focus on sustainability. In addition to the performance of the issuers of covered bonds in terms of sustainability, Imug assesses the cover funds (in the case of public-sector covered bonds) and activities in business with real estate loans according to sustainability criteria.

Corporate Ecology.

LBBW, BW-Bank and Rheinland-Pfalz Bank purchased green energy for all buildings for the first time in 2009. In order to reduce our »carbon footprint«, we are continuing to work on improving our energy efficiency through technical and organizational measures and on reducing our CO₂ emissions. In the last few years, various central buildings have been inspected from the point of view of energy; economizing measures have been drawn up and implemented on the basis of this analysis. In the field of housing services, the trend reversal in energy that was already foreseeable in 2006 and 2007 was confirmed in 2009.

Certification.

LBBW has pledged to comply with the ISO 14001 standard and the Eco-Management and Audit Scheme (EMAS) standard. The aim of EMAS is to improve environmental protection beyond the legal guidelines and to inform the public about it.

The implementation of the standard and the regulation was once again checked in an internal and external environmental audit in 2009. The audit showed that LBBW's environmental management system complies fully with the requirements of the EMAS regulation and ISO 14001.