

LB≡BW

Breaking new ground

Banking with foresight

Sustainable. Reliable. Future-focused.



Foreword

The world is changing: regulation is becoming more complex, expectations are rising, technologies are accelerating progress - and ESG risks are becoming more apparent. The resulting need for transformation is not an obstacle for us, but an opportunity to channel capital precisely to where the future is being created: in renewable energy, energy-efficient solutions and resilient business models.

Responsibility, transformation and stability are the three guiding principles that define our actions. As a universal bank, we actively support our customers on their path to sustainable transformation with a wide range of sustainable products and services. At the same time, we embrace social responsibility – through commitment, a strong culture and educational initiatives.

Our position is clear: Sustainable action and economic success are inextricably linked. This is how we create long-term growth and lasting relevance. Together we make sustainability count - for our customers, our employees and for society.



Sandra Ziegler

Head of Finance, responsible for ESG strategy and ESG regulation.

A handwritten signature in white ink, appearing to read 'S. Ziegler'.

01

Understanding of sustainability and strategic framework

LBBW has been addressing the issue of sustainability for more than 30 years. and influences both our daily actions and our long-term decisions.

The bank published its first environmental report back in 1992, making it one of the pioneers in the German banking sector. In 2006, concrete sustainability targets were defined for the first time - a milestone that paved the way for their strategic integration. In 2017, sustainability was incorporated into the business strategy as a strategic pillar and has since been anchored as a cross-cutting issue. It is an integral part of our business processes

The strategic lever "Sustainable transformation" of the business strategy focuses on financing the transformation of the economy and society. As a partner and driver of transformation, LBBW develops suitable solutions to support its customers in their transformation projects.



Requirements and expectations – our external drivers

In addition to internal convictions, external factors shape LBBW's course and set the framework for its strategic orientation:

Society and customers

Sustainability is part of LBBW's self-image and at the same time reflects the expectations of customers, investors and employees. They expect a reliable and stable bank - requirements that further strengthen the bank through the integration of sustainability facts. In addition to ESG financing solutions for customers, ESG refinancing instruments are also of interest to investors.

Market and competition

LBBW responds to regulatory requirements, investor interests and customer needs. It consistently aligns its activities with long-term value creation and climate-friendly business models, particularly in real estate, infrastructure and corporate client financing.

Market trends and technology

Technological developments shape LBBW's strategic orientation. It recognises market trends, makes targeted investments in key technologies and thus strengthens its competitiveness. Emissions reduction technologies such as e-mobility or renewable energy can play a key role in decarbonisation and resource optimisation by opening up potential through greater efficiency.

ESG risks

The Global Risks Report 2026 expects a further increase in climate and environmental risks and places their measurement and management at the centre of risk management. Extreme weather is one of the greatest global dangers. Climate and environmental risks are also coming more into focus on the supervisory side, which reflects the increasing risk focus and is reflected in higher expectations for analyses, scenario considerations and risk management.

[Global Risks Report 2026](#) ↗

Regulation

Regulatory and supervisory requirements define clear standards for dealing with sustainability risks and their disclosure. At the same time, the so-called omnibus approach helps to make these requirements more targeted and reduce bureaucracy. The sustainability strategy forms the firm basis of LBBW and at the same time enables us to continuously adapt it to changing regulatory and customer requirements.



Development of sustainability at LBBW

The strategic framework

LBBW's sustainability strategy forms the strategic framework for sustainability. It is derived from the business strategy and pursues the overarching goals of growth and relevance. These objectives are based on three key areas: responsibility, transformation and stability.

Accordingly, LBBW aims to make its business portfolio climate-neutral by 2050 at the latest and to anchor sustainability as a cross-cutting issue in all business segments. Progress is measured using clear key figures, such as the emissions intensity and the sustainable financing volumes in accordance with the Sustainable Finance Framework.

LBBW is convinced: Sustainable action and economic success are not mutually exclusive. By integrating sustainability factors, risk and capital costs can be reduced and long-term resilience and competitiveness strengthened.



Responsibility

Sustainability has been an integral part of LBBW's corporate strategy since 2017. LBBW aims to have a climate-neutral business portfolio by 2050 at the latest and assumes responsibility for the economy and society. In this way, LBBW supports the transformation of the economy by accompanying companies on the path to transformation.

Transformation

Transformation succeeds when change is actively shaped. As a universal bank, LBBW supports its customers on this journey with pragmatic solutions, supports their sustainable development and strengthens their resilience. Recognising market trends, financing the expansion of key technologies and cross-divisional approaches open up new opportunities and business potential for LBBW and its customers alike.

Stability

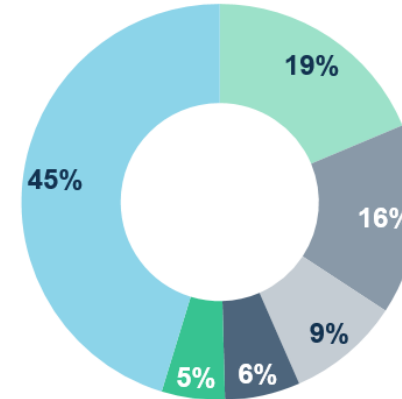
Stability is created by acting with foresight and consciously dealing with risks. Like other risks, ESG risks can have a negative impact on capital positions, for example through increasing credit defaults or reductions in the value of collateral. To counter this, LBBW integrates ESG aspects into its management processes and invests in data quality and risk transparency. This strengthens its own stability and that of its customers.

[Sustainability strategy 2026](#) ↗

Overview of financed emissions

The LBBW Group systematically determines and monitors its financed GHG emissions (Scope 1+2) by sector. The pie chart presented illustrates the share of financed emissions (Scope 1+2) amounting to 7.6 t CO₂e per € million by sector and serves as a basis for monitoring the climate impact of lending activities and for actively decarbonising carbon-intensive business models. This approach is exemplified in the energy focus area: LBBW finances projects in the field of renewable energy and the modernisation of energy transmission infrastructure.

In addition, it supports emissions-intensive sectors in their decarbonisation – in particular in the transformation from fossil fuels to clean electricity and alternative fuels. Another example is the real estate focus area: here, LBBW supports its customers through green loans with a focus on energy-efficient commercial properties, thereby contributing to the reduction of financed emissions in the building sector.



- Public administration
- Electricity, Gas, Steam
- Financial service activities
- Real Estate Activities
- Manufacture of basic metals
- Others*

← Share of financed emissions (Scope 1+2) in t CO₂e by sector – as a basis for monitoring the climate impact of lending activities and for the active decarbonisation of carbon-intensive business models.

* See detailed structure in the 2025 annual report.

[Annual Report 2025](#) ↗

02

Accompanying sustainability in customer business



Customers focus on risk and profitability, among other things.

LBBW supports them reliably and holistically - with a focus on resilient business models. To this end, LBBW combines customised financing solutions, products with a sustainability focus and sound advisory services that secure access to investment capital, practically integrate regulatory requirements and make customers' projects plannable, financeable and effective.

Financing

Sustainable Finance – clear framework for investments

The LBBW Sustainable Finance Framework provides a consistent standard for green and social earmarked financing and sustainability-linked financing. The framework is based on recognised market standards such as the ICMA Green, Social and Sustainability-Linked Principles and is updated regularly. Only transactions that fulfil clearly defined minimum criteria and exclusions and clearly address sustainable purposes or objectives are classified as sustainable. Multi-level review processes and ongoing monitoring support a consistent and transparent classification.

[Sustainable Finance Framework](#) ↗

Target in new sustainable finance



2026:
10,35
Mrd. €

Corporate financing – according to ESG criteria

LBBW supports corporate customers in the area of financing with a wide range of suitable products and services. Part of this offering includes financing for the realisation of transformation projects, infrastructure projects and energy-efficient investments. Additional modules and customised solutions can be added as required.

Infrastructure financing – transformation projects

LBBW finances relevant transformation projects in the energy sector, including large wind farms and photovoltaic plants in Germany and abroad. This infrastructure financing is an important part of the sustainability-related credit and infrastructure offering and supports companies, municipal utilities and project developers in the expansion of renewable energy, among other things.

Property financing – capital for energy-efficient properties

A core component of the offering is property financing for energy-efficient residential and commercial properties. LBBW supports new and existing properties that fulfil high efficiency standards and combine value stability with reduced energy consumption.

Social financing – cities, municipalities and local authorities

Investments by the public sector are investments for the regions - and therefore for local citizens. These include investments in educational facilities, social infrastructure and healthcare.

Investment

Green and social bonds – channelling capital according to green and social criteria

In the investment area, LBBW offers green and social bonds with funds utilised for environmental, climate and social projects. Among other things, the bonds comply with the ICMA Principles; the total volume reported bears defined sustainability characteristics. This gives institutional and professional investors access to liquid, transparent instruments where the utilisation of the funds used is traceable.

ESG fund solutions – integrating sustainability in the portfolio

LBBW's investment portfolio comprises funds with a sustainability focus, including numerous Article 8 funds in accordance with the Disclosure Regulation (EU Regulation (EU) 2019/2088). These funds take ecological and/or social criteria into account when selecting securities and combine active management with clearly defined ESG requirements. LBBW's many years of experience in fund solutions with sustainability features supports investors in building sustainable portfolios.

ESG certificates – structured investments with a sustainability focus

Certificates and other structured products from LBBW are available in a variety of structures with sustainability features. A large proportion of the volume is classified as a PAI product and links performance to companies or indices with defined ESG profiles. This allows individual risk-return profiles to be combined with clearly defined sustainability characteristics.

Advisory & Research

Advisory – strategies for transformation

Various advisory units of LBBW support corporate customers and savings banks in the sustainable transformation of their business models. Strategies, governance structures and KPI systems are developed together and suitable financing instruments are identified. The result is an integrated approach that combines decarbonisation, regulation and financing.

[LBBW Advisory](#) ↗

LBBW Research – Market analyses with ESG focus

LBBW Research provides in-depth analyses of capital markets, the economy, politics, sectors and companies, supplemented by in-depth publications. Studies on ESG trends, regulation and transformation paths support companies and investors in making strategic decisions.

[LBBW Research](#) ↗



03

Accompanying responsibility in society

LBBW assumes social responsibility - reliably, visibly and as an integral part of its daily activities. To this end, the Bank has reorganised Social Commitment as a separate unit and bundles the following areas: the direct commitment of LBBW colleagues to society in the context of Social Days, the art collection, LBBW's cultural history collection, the LBBW Foundation and traditional donations. At the same time, LBBW wants to convey financial knowledge and emphasise the contribution that LBBW makes to society even more strongly.

For LBBW, making a contribution to society means actively assuming responsibility for society, customers and employees. LBBW is convinced that increasing uncertainty and inequality will have a negative impact on social peace and economic growth in the long term. At the same time, LBBW can only operate successfully as long as the country and its economy are doing well.

[Our responsibility](#) ↗

Corporate Volunteering

Since May 2023, all colleagues at LBBW have been able to use one working day a year for company volunteering programmes. To this end, LBBW works together with a pool of organisations and associations. In 2024, around 1,000 colleagues were involved; by 2025, this figure had risen to around 1,400. This includes activities in which employees help those in need through direct contact, for example at food banks or soup kitchens. Everyone knows that this is an offer that helps many people in difficult times.

LBBW Foundation

The legally independent LBBW Foundation belongs to the sphere of social commitment and has been supporting projects in Baden-Württemberg since 1984. Funding focuses on nature and the environment, art and culture as well as education culture as well as education, advanced training and continuing education.. Over 28 million euros have been channelled into 12,000 projects in more than four decades.

LBBW employees taking part in a Social Day at EINS+ALLES, the Christopherus Life and Work Community Laufenmühle in Welzheim. Photo: Franziska Kraufmann. →



Art

With over 3,000 works of art, LBBW has one of the largest corporate collections in Germany. Works are accessible to the public through loans to museums, such as the Kunsthalle Mannheim or the Kunstmuseum Stuttgart. The art can also be experienced on certain days in the LBBW buildings, for example during the Long Night of Museums in Stuttgart. Here you can see selected works from the LBBW collection in the BW-Bank on Kleiner Schlossplatz. LBBW is also represented with a special presentation at art fairs such as Art Cologne and Art Karlsruhe.

Financial education

When LBBW was founded over 200 years ago by Queen Katharina von Württemberg, the aim was to enable people to save and thus contribute to growth and prosperity. Today, LBBW wants to use its role as an institution providing capital with a public ownership structure to contribute to a future-proof, liveable and sustainable society. This also includes education in financial matters. For example, BW-Bank offers educational partnerships with schools, provides additional programs for universities, and supports children's play cities in Stuttgart and Heilbronn.



← Summer reception of the LBBW Foundation in Ravensburg in June 2025, photo Klaus Hepp



↑ Work from the collection: Otto Dix: Portrait of the dancer Anita Berber, 1925, photographed by Frank Kleinbach

04

Living sustainability at LBBW



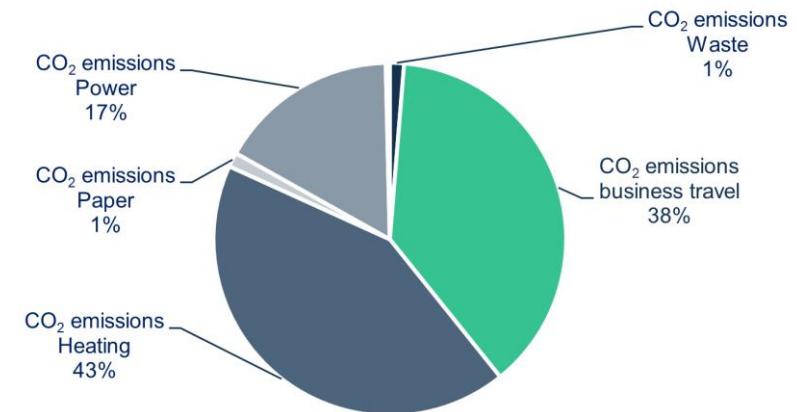
At LBBW, sustainability is anchored holistically as a cross-sectional task and is organised along the ESG dimensions of environment, social and governance. They determine the direction of our actions - from resource-conserving operations and employee development to clear responsibilities, transparent processes and effective management - which are regularly reviewed externally. In addition, employees are regularly trained on sustainability issues in order to implement requirements and standards in practice. The aim is to combine economic strength with responsibility for the environment and society.

Environment – living ecological responsibility

LBBW sees ecological responsibility as part of its self-image. It is therefore its aim to operate in an environmentally conscious and resource-saving manner. In order to be able to evaluate the ecological impact, consumption figures are regularly and CO₂ emissions were recorded and analysed.

Operational climate protection – saving energy, conserving resources

In the environmental area, LBBW is focussing on the energy efficiency of its own buildings and sustainable mobility concepts. At the same time, the bank is increasing the use of renewable energies, including through the purchase of green electricity and solar panels on the roofs of LBBW buildings. A certified environmental management system in accordance with EMAS (Eco-Management and Audit Scheme) supports LBBW in the continuous improvement of building technology, IT, mobility, and processes.



↑ Overview of CO₂ emissions
in banking operations 2024



Environmental Statement 2024 ↗



Social – responsibility in everyday working life

LBBW understands social aspects to mean in particular the development, health and diversity of its employees. HR development, equal opportunities and participation are specifically promoted by the HR strategy. This creates a stable environment that strengthens performance, cohesion and willingness to learn.

Diversity – programmes and networks

Different perspectives lead to better decisions, broaden the scope for thinking and finding solutions and strengthen innovation and social stability. LBBW's diversity and inclusion management combines traditional values with the dynamic requirements of a changing society. By joining the "Diversity Charter" at an early stage, a new works agreement on anti-discrimination and fairness and the establishment of a "Diversity and Inclusion Officer" position, LBBW is actively demonstrating this with exemplary measures.

Among other things, LBBW focuses on supporting women on their way to management positions by offering mentoring, development programmes and family-friendly structures. The aim is to secure a 30 % share of women in management roles by the end of 2026. This commitment is complemented by networks and initiatives such as BRAVE (LGBTTIQ*), LBBW-Women and Culture@LBBW, which promote diversity, dialogue and mutual support in everyday business life.

Working environment – learning, staying healthy, live compatibility

Long-term stability is created when people have knowledge, security and healthy working conditions. LBBW invests in further training, social protection and a modern working environment to broaden experience and maintain motivation. With targeted programmes for talent- and leadership development, for the promotion of future skills and for mental and physical health, it strengthens the ability to actively shape change - in the team and in contact with customers. LBBW also supports the work-life balance with flexible working time models, mobile working options and childcare and care support programmes.

Employees and culture – satisfaction as a success factor

Employee satisfaction is regularly recorded at LBBW and forms an important basis for the further development of the work culture. The results of the annual employee survey provide valuable input on topics such as collaboration, leadership, working environment and future viability. They flow directly into measures to increase motivation, identification and long-term loyalty - supported by a wide range of benefits and targeted programmes for personal and professional development.

Governance – living responsibility in a structured way

Reliable decisions are based on clear structures. At LBBW, defined responsibilities and transparent processes ensure that aspirations and implementation match. Sustainability is an integral part of our corporate strategy: It is anchored in target systems, control parameters and business decisions and is regularly reviewed at Management Board level. The Executive Board bears overall responsibility for the sustainability strategy; each Executive Board department supports its implementation and integrates environmental, social and governance aspects into the respective business processes - from lending and risk management to internal organisation. The individual target agreements of the members of the Board of Managing Directors are aligned with the business and Group risk strategy, the business plan, and the corporate culture. At least 12% of their variable remuneration in the 2025 financial year was linked to sustainability-related targets, thereby strengthening the strategic anchoring of sustainability. Guidelines such as the Code of Conduct, the anchoring of human rights principles and systematically integrated ESG risk management reflect this governance approach.

Code of Conduct – integrity as a foundation

The Code of Conduct applies to all divisions of LBBW, to the members of the Board of Managing Directors, to all employees at all levels and in all Group companies worldwide.

It formulates binding guidelines for fairness, transparency and business integrity and regulates the handling of conflicts of interest, the prevention of corruption and money laundering as well as the protection of data and environmental standards. An internal whistleblower system enables anonymous reporting and thus strengthens an open, trusting corporate culture.

[Code of Conduct](#) ↗

Human rights – responsibility across borders

Responsibility does not end at the company's borders. LBBW aligns its processes with international standards - the guiding principles of the United Nations, the ILO core labour standards and the requirements of the German Supply Chain Duty of Care Act. The aim is to recognise risks along the value chain at an early stage, avoid grievances and create partnerships on an equal footing. Training courses deepen awareness of how respect and care are effective in day-to-day work.

ESG risk – systematic management

LBBW firmly anchors ESG risks in Group risk management. In the lending business, for example, the E-component focuses on physical and transition-related climate and environmental risks, assessed using our own methods for financed CO₂ emissions based on market standards. Comprehensive guidelines, a set of exclusion and assessment criteria and the ESG checklist anchor these aspects.



05

Transparency and monitoring



For LBBW, transparency is at the core of responsible corporate governance. The bank discloses how it manages sustainability, what progress has been made and in which areas further action is required.

Reliable standards and external orientation

LBBW's reporting complies with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) as well as the disclosure requirements of the EU taxonomy. The Bank also complies with the relevant expectations and guidelines of the European supervisory authorities, such as the ECB on climate and environmental risks and the EBA guidelines. This means that internal management and the standards applicable to financial market players in Europe are closely interlinked. In addition, LBBW is rated by independent ESG rating agencies.

[ESG ratings](#) ↗

Values that provide orientation

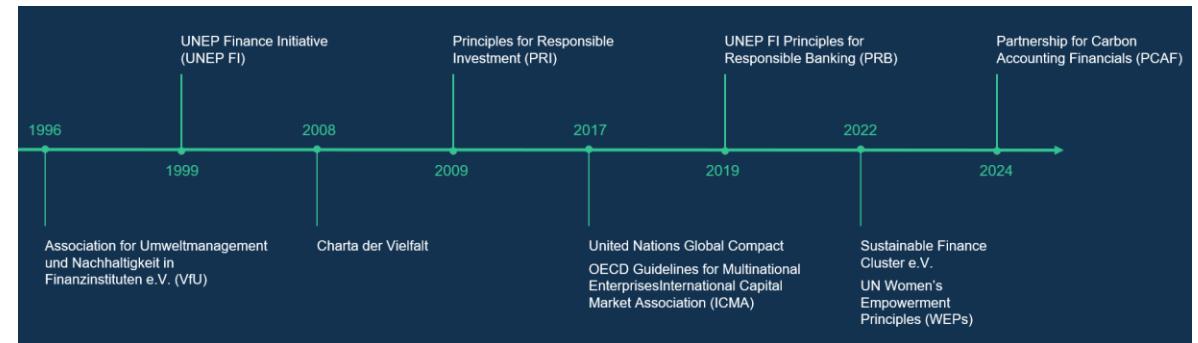
By participating in the international sustainability initiatives and industry-wide frameworks listed below, LBBW is committed to recognised principles of responsible business and underpins these with clear voluntary commitments.

Stakeholder communication

LBBW actively seeks dialogue with its stakeholders and uses clear dialogue formats for this purpose. This is done with employees through regular surveys, continuous dialogue with the Staff Council and internal communication channels. LBBW involves customers through customer advisory boards, personal discussions, surveys and a systematic quality and complaint management. Defined sustainability requirements apply to suppliers, supplemented by structured questionnaires, development meetings and a central evaluation platform. In addition, LBBW maintains a dialogue with investors and rating agencies and is involved in local communities through memberships in interest groups and NGOs.

[Annual Report 2025](#) ↗

Extract from LBBW's memberships and
voluntary commitments



Imprint

Find out more and get in touch now: Sustainability at LBBW.

More information:
lbbw.de/sustainability ↗

Editorial office:
 Landesbank Baden-Württemberg
 Am Hauptbahnhof 2
 70173 Stuttgart
www.LBBW.de
kontakt@LBBW.de

Concept and design:
 Agency Blumberg GmbH

Photo sources:
 Landesbank Baden-Württemberg

Created on:
 04/2026



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Breaking new ground

Landesbank Baden-Württemberg
www.LBBW.de
kontakt@LBBW.de

Head offices

Stuttgart
Am Hauptbahnhof 2
70173 Stuttgart
Phone 0711 127-0

Karlsruhe
Ludwig-Erhard-Allee 4
76131 Karlsruhe
Phone 0721 142-0

Mannheim
Am Victoria-Turm 2
68163 Mannheim
Phone 0621 428-0

Mainz
Rheinallee 86
55120 Mainz
Phone 06131 64-0