

At a glance: Sustainability at LBBW.

- Landesbank Baden-Württemberg (LBBW) is one of the largest credit institutions in Germany. Its three customer-driven banks – BW-Bank, LBBW Rheinland-Pfalz Bank and LBBW Sachsen Bank – allow LBBW to offer the full array of business services provided by a large bank across Germany, while also drawing on extensive regional roots. Within the state capital Stuttgart, BW-Bank fulfils the role of a municipal savings bank for LBBW.
- Its core activities are private banking business and business with corporate customers, especially medium-sized enterprises, and with savings banks. Another focus is on real estate finance in selected markets as well as customer-oriented capital market business with banks, savings banks and institutional investors.
- LBBW aims to consistently contribute to sustainable and balanced economic, environmental, and social development. For this purpose, it has adopted a comprehensive sustainability policy, providing a framework for all business activities.
- The sustainability policy is set out in the »Leitplanken Nachhaltigkeit« (Guidelines for Sustainability). They provide guidance on the operational implementation of LBBW's sustainability goals in investment and lending business, with regard to personnel policy and handling of resources. In addition to the Guidelines for Sustainability, LBBW has also formulated a **climate strategy**.

Data and facts

Key figures of LBBW Group (in accordance with IFRS)

	2012	2013	2014	2015
Total assets	336.3bn	274.6bn	266.3bn	234bn
Net consolidated profit	398m	339m	438m	422m
Tier 1 capital ratio	15.3 %	15.7 % *	14.6 % **	16.4 % **
Headcount	11,642	11,308	11,117	11,120

Figures on sustainable banking business

* Common equity Tier 1 ratio in accordance with SolvV (Basel 2,5)

** Common equity Tier 1 ratio in accordance with CRR/CRD IV with transitional provisions

	2012	2013	2014	2015
Sustainable and ecological funds at LBBW Asset Management Investmentgesellschaft mbH (EUR million)	471	558	625	716
Total company loans for project finance in the field of renewable energies (EUR billion)	2.73	2.62	2.54	2.47

Please note: The tables highlighted in blue contain general data on LBBW; the tables highlighted in green contain data on sustainability at LBBW.

Landesbank Baden-Württemberg

Environmental key figures

	2012	2013	2014	2015
Electricity consumption in kWh/m ²	193	191	196	192
Electricity consumption in kWh/employee	8,241	8,121	8,184	7,913
Heating energy-usage in kWh/m ²	97	101 *	100 *	103 *
Paper usage in sheet/employee	22,684	14,843 **	11,555 **	12,004 **
Copy paper in kg/employee	59	53	51	49
Printing advertising matter in kg/employee	44	37	36	29
Business travel in km/employee	3,338	3,239	3,244	3,132
Waste volume in kg/employee	236	234	234	224
CO ₂ -emissions in kg/employee	1,207	1,173	1,104	1,457

* Adjusted for weather from 2013 onward. ** Since 1 September 2013, office paper has been purchased to some extent by IT service provider Finanz Informatik Technologie Service, rather than by LBBW itself. Due to the outsourcing of IT activities, this consumption figure is no longer included in LBBW's Environmental Performance Statement.

Ratings and Rankings

Rating (as at: 23 May 2016) ^{1), 2)}

	Long-term rating guaranteed obligations	Long-term rating non-guaranteed obligations	Short-term rating non-guaranteed obligations	Public-sector covered bonds	Mortgage-backed covered bonds	Viability rating
Moody's Investors Service	Aaa	---	P-1	Aaa	Aaa	---
Fitch Ratings	AAA	A- (stable)	F1	AAA	---	bbb+

Sustainability ratings ²⁾

	2012	2013	2014	2015
oekom	Prime (C+)	Prime (C+) [rank 2 out of 33 (Financials/Public & Regional Banks)]	Prime (C+) [rank 1 out of 76 (Financials/Public & Regional Banks)]	Prime (C+) [ranks top 5 out of 84 (Financials/Public & Regional Banks)]
mug	positive	positive; LBBW is thus placed in the upper quarter of 126 German and international issuers of bank bonds evaluated.	uncovered bonds: neutral (CC) mortgage covered bonds: positive (B) Public-sector covered bonds: positive (BBB)	uncovered bonds: neutral (CC) mortgage covered bonds: positive (BB) Public-sector covered bonds: very positive (A) (status: February 2016)
sustainalytics	72 points [rank 8 out of 63 (banks non-listed)]	72 points [rank 8 out of 73 (banks non-listed)]	77 points [rank 12 out of 361 (banks)]	79 points [rank 11 out of 411 (banks)] (status: November 2015)

¹⁾ The ratings and rating reports referred to here by LBBW, are publicly available.

²⁾ The presentation in this publication is merely an additional service for our investors. LBBW is not the owner of this data. Moreover it must not be construed as a recommendation to purchase any LBBW securities. LBBW assumes no liability for the selection of this information, any errors or omissions or if it is no longer current.

Business areas

Corporate customers	
<ul style="list-style-type: none"> ■ Finance ■ Corporate finance ■ Asset management ■ Interest, currency and commodities transactions ■ International business ■ Payments ■ Services (e.g. corporate successorship, company pension schemes) 	<ul style="list-style-type: none"> ■ Project finance for renewable energies ■ Arrangement of public funding programs for renewable energies/energy efficiency/environmental protection ■ Foundation management ■ Sustainable investment (e.g. bank savings bonds, investment funds, alternative real investments, sustainable asset management).
Private customers	
<ul style="list-style-type: none"> ■ Current accounts and savings accounts ■ Loans ■ Real estate ■ Securities business ■ Home-savings business 	<ul style="list-style-type: none"> ■ Finance for photovoltaic systems ■ Arrangement of public funding programs for renewable energies/energy efficiency ■ Finance for energy-saving renovations ■ Cooperation with the German Network of Energy Consultants (Deutsches Energieberater-Netzwerk e.V.) ■ Participation in the Energy Consulting Center Stuttgart (EBZ) ■ Cooperation with the Ministry of Environment, Climate Protection and Energy Sector Baden-Wuerttemberg in the measure »Zukunft Altbau« (old buildings in the future) ■ Home savings products for energy-saving renovations ■ Sustainable investment (e.g. bank savings bonds, investment funds, alternative real investments, sustainable asset management) ■ Foundation management
Savings banks	
<ul style="list-style-type: none"> ■ Arrangement of public funding programs ■ Finance for corporate customers ■ Municipal finance ■ International business ■ Private banking ■ Services for savings banks and their customers (e.g. research, rating, securities) 	<ul style="list-style-type: none"> ■ Arrangement of public funding programs for renewable energies/energy efficiency/ environmental protection ■ Project finance for renewable energies ■ Sustainable investment (e.g. investment funds structured products, alternative real investments), ■ Sustainable asset management ■ Foundation management ■ Sustainability research
Capital markets business	
<ul style="list-style-type: none"> ■ Broad product range for all customer groups 	<ul style="list-style-type: none"> ■ Sustainable investment (e.g. specialized funds)
Real estate finance	
<ul style="list-style-type: none"> ■ Traditional short-, medium- and long-term finance ■ Structured finance ■ Finance for acquisitions and project development ■ Interest and currency management 	<ul style="list-style-type: none"> ■ Arrangement of public funding programs for renewable energies/energy efficiency

Awards and memberships (for more information please see the next page under the relevant item)

Signatory of:



Mitglied der



Examples of sustainability:

Voluntary commitment		
1	<p>»Principles for Responsible Investment« (PRI)</p> <p>Certified environmental management system</p> <p>Climate strategy</p>	<p>The first German Landesbank to sign the voluntary commitment to comply with the »Principles for Responsible Investment« (October 2009).</p> <p>Since 1998, LBBW has had a certified environmental management system in place in accordance with EMAS; since 2001, the DIN ISO 14.001 standards have been integrated.</p> <p>LBBW wants to contribute actively to climate protection and to promote low-emissions economic activity. For this reason, it formulated its own climate strategy in October 2011. It aims at recognizing new market and product opportunities and offering the corresponding products and services to our customers. Moreover, a quantified CO₂ reduction target was determined as part of the climate strategy.</p>
3	Sustainable construction	LBBW Immobilien Development has been a member of the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen e.V.) since February 2011.
Customers		
4	Sustainable investment	<ul style="list-style-type: none"> More than 15 years of experience in sustainable investments. The two sustainable retail funds LBBW Nachhaltigkeit Aktien and LBBW Nachhaltigkeit Renten have received the »European transparency logo for sustainable retail funds«. In addition, the Austrian Federal Ministry for Forestry, Agriculture, Environment and Water Management awarded both funds the Austrian eco-label. Both funds have also been awarded the FNG seal in 2016.
	Sustainable asset management	Investments in companies, government entities and covered bonds which operate with an above-average degree of sustainability and also satisfy strict ethical, ecological and economic exclusion criteria and are assembled in accordance with individual criteria.
	BW-ZukunftsSparbrief	The funds collected from customers are used exclusively to finance new sustainable products, e.g. renewable energies, energy efficiency, environmental technology.
	Exit from investments in agricultural commodities	LBBW discontinued the sale of investment products associated with agricultural commodities in October 2012.
	Finance standards	<ul style="list-style-type: none"> Exclusion of companies producing cluster ammunition and/or anti-personnel mines. No finance for or hedging of foreign deliveries of weapons as well as strict requirements and restrictions for arms and dual-use goods.
	Series of events on sustainability	At the end of 2013, the »Forum für eine nachhaltige Zukunft« series [»Forum for a sustainable future«] was introduced at BW-Bank. The fourth forum on 13 July 2015 focused on social aspects of sustainability. Its title was: »Sinnstiftung, Wertschätzung, Zutrauen: in welcher Gesellschaft wollen wir leben?« [Meaningfulness, appreciation and confidence: what kind of society do we want to live in?]
Employees		
5	Diversity	In 2008, LBBW signed and committed itself to the »Diversity Charta«, which stands for a fair and unprejudiced working environment in German companies.
6	Audit Beruf und Familie	Since 2010, LBBW has been certified as a family-friendly employer by the Hertie-Stiftung's audit on work-life balance (»Beruf und Familie«). In 2013, the bank completed a successful recertification process.
	Company health management	<ul style="list-style-type: none"> »Excellence status« in the Corporate Health Award by Handelsblatt, TÜV SÜD and EuPD Research Sustainable Management since 2012. Compulsory two-day seminar »Gesund führen« [Healthy leadership] as part of management training
	Online training program »Betrugsprävention und Nachhaltigkeit« [Fraud prevention and sustainability] in the LBBW Group.	August 2012: E-Learning course on fraud prevention and sustainability which aims at increasing the sensitivity of our employees across the Group. It is mandatory for all employees and must be repeated every three years.
	Bank-wide whistleblower system	Since June 2012: ombudsman system for reporting irregularities or criminal acts in confidence. This is available for all of LBBW's employees and extends the Bank-wide whistleblower system aimed at crime detection.
Society		
	LBBW Foundation	Since 1984, around 9,500 projects with a total volume of around EUR 24 million have been funded by the LBBW Foundation.
Environment		
	Electricity	Since 2009, 100% of the electricity purchased has been from regenerative energy sources.

Additional information and the detailed sustainability report at www.lbbw.de/nachhaltigkeit

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