

With Updated 2010 Environmental Statement.



Solar module development:
SCHOTT Solar
Germany, 2006

Sustainability. Made in Germany. Sustainability Report 2010.

Landesbank Baden-Württemberg

LB  BW

Growing Responsibly

We have made it through a critical period. But we still face a challenging restructuring process. In the future, our aim is to again do business profitably and grow sustainably. We will be led along this road by our sustainability goals – and measured by how consistently we achieve them.

2010

Sustainability Report with Updated 2010 Environmental Statement.

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ES The sections and sub-sections designated “ES” in this Report are part of LBBW’s Updated 2010 Environmental Statement.

About This Report

Reporting Period:

The LBBW Sustainability Report describes the period from October 1, 2009 to August 31, 2010. The time series for environmental data generally cover the years from 2004 to 2009.

LBBW's previous Sustainability Report was published in November 2009. LBBW plans to continue publishing the Sustainability Report annually.

Report Content:

The topics covered by this Report are in line with the G3 guidelines, including the Sector Supplements of the Global Reporting Initiative. In GRI-based reports, the report authors must self-declare the level at which they have applied the GRI reporting framework. "C" is the lowest level, and "A" is the highest level. Our Sustainability Report complies with GRI Application Level B+.

Editorial Notes:

All of the information in this Report was compiled with the utmost care. To the best of our knowledge, this information and data are correct. Nonetheless, no liability can be assumed for the correctness or completeness of the information provided. We would like to thank the numerous colleagues who participated in the preparation of this Report for their support.

PDF of the Report:

The following PDF pages contain the contents of <http://nachhaltigkeit.LBBW.de> as of November 30, 2010.

Consistent Management.

We aim to continue to develop LBBW sustainably. This is why we direct our energy toward comprehensive analysis and management of all factors, both positive and negative, that could influence LBBW's development. The basic principles behind this philosophy are laid down in our "Sustainability Policy" and "Guidelines for Sustainability." We guarantee their implementation with a defined set of responsibilities, projects, and goals. In our "Sustainability Program," which is updated annually, we record our progress on projects currently underway, and then account for this progress in our annual "Sustainability Report."

With All Our Energy.

DR. PETER A. KAEMMERER



Dr. Peter A. Kaemmerer – Member of the
Board of Managing Directors of Landesbank
Baden-Württemberg

Dear Customers and Business Partners of the LBBW Group,

The upheaval of the global economic crisis has also affected LBBW noticeably in the past two years. For this reason, we presented a comprehensive restructuring plan in fall 2009 that was approved by the European Commission in December. In addition to trimming costs by EUR 700 million for the year and eliminating 2,500 jobs by 2013, the plan presents a forward-looking realignment of our business.

Thanks to the consistent focus on the business serving our main customer groups – companies, retail customers, and savings banks – we possess a viable and sustainable business model. This also includes our community, environmental, and social commitment, which is not an end in itself, but instead an important prerequisite for our business success. During this process, our sustainability strategy helps us to identify risks at an early stage and take advantage of business opportunities.

A good example of this is the market for sustainable investments that in the past year has not grown despite the crisis, but because of it. More and more investors today want to know precisely where their money is being invested and to what ends. As a financial institution that has been at home in this growth market for years now, we can offer an attractive range of sustain-

able investments. Another example is the market for environmental project financing. We are currently one of the most experienced and prominent financing providers in this industry. And, ultimately, we are also rapidly bringing our internal processes into line with the principle of sustainability. This rethinking finds expression in the positive evaluations of LBBW by sustainability rating firms which places the Bank and its products more firmly in the sights of sustainably-oriented investors.

In other words, we are already clearly benefiting today from our commitment to sustainability. Could there be a more convincing reason to continue with all of our energy?

The subsequent pages contain facts about and examples of our sustainability strategy. Please send your questions, criticism, and suggestions to nachhaltigkeit@lbbw.de. We look forward to receiving your feedback.

Sincerely,



DR. PETER A. KAEMMERER

Member of the Board of Managing Directors of Landesbank Baden-Württemberg

The Company ^{ES}

At a Glance

Landesbank Baden-Württemberg (LBBW) is a commercial bank and the central bank to the savings banks in Baden-Württemberg, Saxony, and Rhineland-Palatinate. With total assets of EUR 411.7 billion and more than 13,000 employees (as of December 31, 2009), LBBW is one of the largest banks in Germany and the most important by a wide margin in its core market of Baden-Württemberg.

LBBW's core activities are the retail customer business and the business serving corporate customers, particularly Mittelstand, or small- and medium-sized, family-owned businesses, as well as the savings banks. Another focal point is real estate financing and the customer-driven capital market business with banks, savings banks, and institutional investors.

Going forward, LBBW will concentrate more heavily on its customer-oriented business model and, in the medium term, will cut back its total assets as well as its workforce in a controlled process. Together with its regional retail banks Baden-Württembergische Bank (BW Bank), Rheinland-Pfalz Bank, and Sachsen Bank, LBBW serves more than a million retail and 27,000 corporate clients in its over 200 branches – and LBBW has been the principal bank for many of these clients for many years.

For small- and medium-sized companies, our support in developing international markets plays an important role in addition to our expertise in innovative and complex financing packages. Subsidiaries specializing in businesses such as leasing, factoring, real estate, and asset management round out the LBBW Group's own range of services.

For an extensive portrait of the Bank and information on our activities and business areas, please visit www.lbbw.de (» About us). You can also download our 2009 Annual Report (including detailed key figures) there (» Investor Relations » Financial Information and Reports).

Current Developments

LBBW is undergoing a fundamental transformation. The restructuring plan unveiled in October 2009 was the prerequisite for the European Commission's final approval for a capital increase totaling EUR 5 billion by our owners and a risk shield amounting to EUR 12.7 billion.

Even in this challenging restructuring phase, LBBW will not neglect sustainability issues. On the contrary, the goals of the restructuring process are highly compatible with the principles of sustainable business. For instance, LBBW plans to further reinforce its position as a reliable partner, particularly to small- and medium-sized, family-owned companies. We aim to build enduring, trust-based business relationships. After all, it

is especially during difficult economic times that companies need a financial partner who thinks long term and will loyally stand by its customers in the region. In the future, we also intend to increasingly focus the lending business on transactions, projects, products, and customer groups that improve our net sustainability. These efforts include, for example, financing for renewable energy projects. In contrast, LBBW will refrain from engaging in opportunistic business activities and non-client-based commitments, such as the non-lending (credit substitute) business. This will markedly improve the Bank's risk profile. In shaping the Group's new structure, sustainability issues, such as the greatest possible proximity to customers and the efficient use of resources, are a top priority.

Sustainability Strategy and Management

We used to just call it “environmental policy,” but today this concept carries the more comprehensive title of “sustainability policy.” The reason for this is deeper than a simple name change: We have considerably broadened our understanding of our business and its foundations. Our aim is to set an example with our business not only in environmental terms, but also with regard to social and ethical issues, because we believe that successful business performance cannot be achieved in the long term without responsible environmental, ethical and social performance.

LBBW Mission Statement

In 2001, LBBW adopted a Bank-wide Mission Statement as a set of rules governing our collective work and actions. Along with other principles, our commitment to sustainability is documented in this Mission Statement: “We stand by our responsibility to society. We are environmentally aware in our actions and promote culture, science, sports and community.”

This Mission Statement is adapted by our subsidiaries to fit their business activities. For example, the LBBW-Immobilien Group has specified concrete objectives in its sustainability strategy that relate to the sustainability focus of its core business. The Group aspires to gradually implement these objectives as part of its sustainability strategy. These include, for example, minimum standards for energy consumption in new

buildings, the use of construction materials free from harmful chemicals, and a binding review of environmental risks when making investment decisions.

Sustainability Policy **ES**

The sustainability policy consolidates LBBW’s guiding principles on sustainable development in the areas of corporate governance, business operations, human resources, communication, and LBBW’s commitment to community.

It stipulates the framework for all sustainability activities at LBBW and is the foundation for integrating economic, environmental, and social issues into our business activities as a whole.

The sustainability policy in the following version was approved by the Board of Managing Directors on February 9, 2010 and therefore replaces the first version written in 2006. It reads as follows:

Corporate Governance

Landesbank Baden-Württemberg acts in the long-term best interests of the Bank, its customers and other stakeholders. Our activities aim to consistently contribute to sustainable and balanced economic, environmental, and social development.

- The key conditions required for business activities geared to sustainability issues have been put into place thanks to the Guidelines for Sustainability. They provide our executive staff and employees a concrete orientation framework for the operational implementation of LBBW's sustainability goals, which are contained in the Guidelines.
- We endeavor to use our sustainability management system to put into practice sustainable thought and action throughout the Bank, in all specialized divisions, subsidiaries and branches, and therefore to continually improve LBBW's sustainability balance sheet.
- We consider our commitment to sustainable development to be an integral part of our mission to serve the common good, which we believe strongly is our responsibility as a public-sector institution.
- It goes without saying that we will comply with all applicable legal regulations as well as uphold the human rights defined by the United Nations.

Business Operations

- In terms of our stewardship of resources, we consider ourselves responsible for future generations and therefore work hard to continuously minimize our use of non-renewable resources.

- We give preference to sustainable products and sustainability-focused suppliers and service providers in our purchasing and procurement processes wherever this is an economically viable option.

Core Business/Banking Products

We are well aware of the importance of banks as financing partners for innovative, climate-friendly technologies and industries. LBBW is therefore in favor of actively orienting lending and investment activities toward sustainable projects, products, and customers.

Human Resources

- We sustainably promote and develop our staff resources so that we can be well prepared for future challenges with a team of motivated, qualified, and healthy employees.
- We include all LBBW employees in implementing sustainability concepts. Executives are ultimately responsible and act as role models in this process.

Communication

- LBBW reports regularly about progress made in fulfilling its sustainability commitment.
- We see ourselves as a partner to our customers. This vision includes our desire to increasingly share our knowledge of sustainable corporate governance. In this way, we support our customers in strengthening their commitment to sustainable development and reducing environmental pollution.

Social Commitment

We take our responsibility to society seriously. LBBW operates three foundations that promote projects and initiatives in the fields of nature/the environment, education, and art and culture. As a donor and sponsor, LBBW supports projects with substantial value-added for the public in many ways.

Sustainability Goals and Operational Guidelines **ES**

In order to put the sustainability policy in concrete terms, LBBW has defined the following umbrella goals:

1. We want to gradually implement sustainability as an integral component of our business policy. For this reason, we are expressly committed to also increasingly addressing ecological, social, and societal issues in investment decision-making processes going forward.
2. We will offer sustainable investment products to all customer groups and in all asset classes to the greatest extent possible. We aim to increase the share of sustainable investments in all business areas – including in our own investment portfolio.
3. In credit advising and credit decision-making, we will take into account sustainability risks and earning potential for customers and the Bank.
4. We strive for an active focus on projects, products, and customers with a positive impact on the sustainability balance sheet of the Bank. Thus, we promote environmentally friendly technologies and contribute to the reduction of CO₂ emissions.
5. LBBW is a reliable partner to its employees. Our goal in the future is to be an even more attractive employer than today. To this end, we are continuously working toward improving our work organization and working conditions with a view to the health and work-life balance of our employees. We intend to maintain and further raise the high education and training level in our Bank.
6. We will further optimize the use of resources within our organization. We will focus on exploiting any potential for reducing CO₂ emissions, especially in energy and paper usage and business travel.
7. We apply uniform criteria in selecting products and services when procuring materials and awarding contracts which ensure that the relevant sustainability issues are included in the decision-making process.

The concrete orientation framework for the implementation of LBBW's sustainability goals is provided by the Guidelines for Sustainability. These mark out the corridor within which LBBW will pursue its sustainability goals in the future in the investment and lending business, in human resources policy, and in dealing with resources, and therefore form the foundation for sustainable development.

Guidelines for Sustainable Investment

In the future, LBBW will strive to more strongly emphasize environmental, social, and ethical issues in its investment business. The objective is to offer our customers sustainable investments in all asset classes, if possible.

We apply the United Nations' Principles for Responsible Investment (PRI) (www.unpri.com) in making investment decisions.

Text of LBBW's Guidelines for Sustainability "Investment Business"

Going forward, we will take more and more ESG (environmental, social, and corporate governance) factors into account in our investment decisions. By doing so, we act in the best and long-term interest of our clients and stakeholders. When implementing our sustainability targets, the "Principles for Responsible Investment" (PRI) of the United Nations serve as a benchmark.

Therefore we commit ourselves to the following, as far as this is compatible with our responsibility vis-à-vis the customer:

- We will integrate ESG-related topics in the analytical and decision-making processes in investment banking and will actively promote sustainable investments.

In our business with customers we will offer sustainable investment products for all customer groups and in all asset classes, provided that investment opportunities are available that correspond to the sustainability requirements prevailing for other offers submitted to our customers. We aim to increase the share of sustainable investments in all business areas – also with regard to our own investments.

- We will accompany corporations and entities in which we invest as active shareholders. We will urge them to provide comprehensible information about all ESG factors. If we notice any violation of our basic moral concepts, we will enter an intensive dialogue with the companies concerned.
- Whatever serves as a sustainability benchmark for our bank should serve as orientation for the whole sector as well. Therefore we will support greater acceptance and enhanced implementation of the PRI (Principles for Responsible Investment).

Guidelines for Sustainable Financing

In the future, we also intend to increasingly gear the lending business toward transactions, projects, products, and customer groups that improve our sustainability balance sheet. In addition to responsible asset allocation, these include identifying, avoiding, and managing risks that could arise from financing transactions. At the same time, we will make a concerted effort to finance projects that support sustainable development as well as hold business opportunities for LBBW. These can be systems, technologies, or companies in the renewable energy sector that are also expected to perform better than average in the future. Moreover, financing for investments in water treatment and supply and in energy infrastructure will become increasingly important.

Text of LBBW's Guidelines for Sustainability "Financing"

On the one hand, due to globalization and stronger international orientation of the Bank, we increasingly grant loans to customers in our core markets with production sites in developing and threshold countries. On the other hand, LBBW will to a growing extent win customers located in these countries.

Ecological and social conditions which are incompatible with our guidelines can jeopardize our reputation considerably. For the lending business this means:

- We will strengthen our advisory competence with the aim of identifying risks early on in conjunction with the customer in order to take countermeasures. This co-operation characterized by openness between the consultant and the customer will promote sustainable development of the company, the business relationship and the systematic identification of earning potential for the Bank.
- We advocate active orientation toward transactions, projects, products, and customer groups with a positive impact on the sustainability balance sheet of the Bank.

Thus, we spur the development and the dissemination of environmentally friendly technologies. We help reduce carbon dioxide emissions. Concurrently, we are expanding future-oriented asset allocation by leveraging the strong market growth in these segments. All in all, these measures will strengthen our Bank's sustainability.

- We incorporate instruments for identifying, avoiding, and controlling sustainability risks in certain industrial sectors and countries into

the analytical and decision-making process. This particularly applies to environmental protection, human rights, and working conditions. The sustainability evaluation which forms an integral part of the analytical and decision-making process leads to a holistic risk approach. Additional information on the topic of sustainable financing is provided in the “Customers” section.

Guidelines for Sustainable Human Resources Policy

We intend to continue to adhere to the principles of sustainable human resources policy even in our currently difficult situation, despite the financial crisis and the workforce reduction of 2,500 necessary as part of the restructuring of LBBW.

In times of upheaval especially, what is vital is assisting employees by providing suitable educational and training opportunities (such as job re-training and continuing education), if at all possible. This conviction is embodied in the collective agreement on workplace and job security agreed in June 2010 by LBBW and ver.di; employee qualifications and training are issues specifically integrated into this agreement.

Text of LBBW's Guidelines for Sustainability "Human Resources Management"

The twelve "HPI value drivers" defined by the Federal Ministry of Labor and Social Affairs in the Human Potential Index ("HPI") determine the guidelines for sustainable human resources management within the LBBW Group. In the following, these HPI value drivers are listed according to the ranking of their effectiveness for corporate performance and formulated explicitly for the LBBW Group as prerequisites for a sustainable human resources management policy:

1. Compensation & Benefits

We provide for an up-to-date remuneration package system in which salary components can be variabilized (performance-based). Attractive social benefits demonstrate adequately our appreciation to the employees.

2. Change Management

We strive to continuously improve the organization of work, workflows, and working conditions, thus enhancing our attractiveness as an employer. The operational co-determination of the employees is respected and supported.

3. Work-Life Balance

Our offers in terms of employer's duty for social care towards the employees and the employer's self-obligation are geared to a sustained work-life balance.

4. Communication & Information

Our employees can only work successfully for the Bank on the basis of good communication and a good exchange of information. This is a prerequisite to enable the Bank to operate profitably and responsibly in the long run.

5. Leadership

The employees experience appreciation and respect for their work from their executives.

They can be proud of their Bank, its products, its services, and its leadership culture.

6. Personnel Development

We strive to maintain our training and advanced vocational training measures on a high level in terms of quality.

7. Personnel Planning & Selection

Our personnel planning is aimed at a long-term occupation of our employees. Avoidance of dismissals for operational reasons is a primary objective.

8. Employee Retention

Once the employee is on board, we stand by him/her.

9. Demographic Development

Our labor organization is geared toward the age structure of our employees as well as to the demographic development.

10. Health Care Management

Thanks to professional in-house health care management, we keep our employees healthy, motivated, and efficient.

11. Human Resources Management

Confidentiality and data protection, also within the scope of performance review appraisals, are a matter of course for us.

12. Equal Opportunity & Diversity

We aim to increase the percentage of women in executive positions. We consider diversity an opportunity. Therefore we have committed ourselves to promoting diversity by signing the "German Corporate Diversity Charter."

LBBW does not shy away from subjecting itself also to an external review of its sustainable Human Resources Policy, aspiring to an improvement in its positioning (e. g. as to its Human Asset Rating with a good Human Potential Index (HPI) compared to other companies), and achieving continually improved results in terms of the twelve human resources-based value drivers of corporate performance.

Guidelines for the Sustainable Use of Resources

We have laid down binding criteria for the procurement of products and services that include environmental and social factors. These criteria are taken into consideration when contracts are awarded (target figure: at least 10%). Suppliers must also disclose the product origin, the manufacturing process, and the materials contained in products. In addition, we reserve a right to extraordinary termination in case of non-compliance with our social sustainability standards.

The standards that we apply to LBBW's own use of resources are equally stringent. We plan to continually reduce carbon dioxide emissions, which can result from business travel, facility management, IT, and the use of materials, in relation to our baseline year of 2006.

LBBW will review sustainability aspects, such as energy usage, of all investments, including new buildings and new facilities leased, even more carefully going forward. The first successful example of this approach is the optimization of the energy efficiency of the new building in Karlsruhe.

Text of LBBW's Guidelines for Sustainability "Business Operations"

We aim to manage our consumption of resources to ensure that sufficient resources will be available to future generations. In our efforts we focus predominantly on reducing carbon dioxide emissions and on our procurement policy.

Reduction of our relative carbon dioxide emissions by avoidance, based on the year 2006, is our primary sustainability objective in business operations.

- We aim to reduce our energy consumption by optimizing our facility management and our IT hardware in the data centers and the workplace. This requires the development of appropriate technical and organizational measures:
 1. Long-term investment approach (renting and construction), including energy consumption of buildings
 2. Electricity usage facility management, on the basis of 2006: 8,058 kWh/full-time equivalent
 3. Heating energy consumption, on the basis of 2006: 129 kWh/m² per year
 4. Electricity consumption of the data centers in terms of storage volume of mainframes and server farms (ratio "IT electricity consumption adjusted for activities for third parties in kWh/terabyte")
 5. Workstation IT related to one standard workstation (regular measuring in spatially confined areas) in kWh/workstation and year
- We strive for optimization of the choice of transportation (on the basis of 2006: train 26%, plane 25%, car 49%) in compliance with the guidelines contained in the travel policy whereby the increasing globalization of the Bank must be taken into account.
- We want to maintain the high percentage of recycled paper (on the basis of 2006: copy paper 91%, writing paper 39% in total, printed advertising material 15%).

With regard to the selection of products and services we have defined standardized criteria:

- When placing orders we always consider sustainability criteria (e. g. environment, regional economy/customer relationship), as laid down in our procurement standards.

- Environment, regional economy/customer relationship as well as fair remuneration are of material importance when reviewing services and products/materials. We strive to weight these sustainability aspects against other decision criteria (quality, price-performance ratio, reliability, services, acceptance, and framework agreements) with 10%.
- To ensure compliance with the sustainability criteria, we oblige our suppliers to answer questions with regard to product origin, manufacturing process, materials used, etc. In addition, we reserve a right to extraordinary termination in case of non-compliance with our social standards, which all suppliers have to accept.
- We cover our electricity demand under consideration of economic decision criteria by using electricity from renewable energies.

Sustainable Corporate Governance

Our sustainability management efforts include all divisions and are being implemented in a multi-stage process throughout the Bank. Implementation is the responsibility of the LBBW Board of Managing Directors member responsible for the Corporate Customers II segment. Once a year, environmental management at LBBW is evaluated by top-level management (management review in accordance with ISO 14001). Leadership of our sustainability management efforts rests with the head of the Administration division and the Corporate Sustainability department integrated into that unit.

Committees and Departments

The Sustainability Committee is the communications bridge between the Board of Managing Directors and the specialized divisions. This body consolidates and drives the shaping of opinions within the Bank concerning strategic sustainability issues and prepares information to enable the Board of Managing Directors to make decisions. The Sustainability Committee is chaired by the Board of Managing Directors member responsible for corporate sustainability.

The Sustainability Working Group is made up of the representatives of all of the relevant specialized divisions. They work at operations level and coordinate all sustainability activities in the divisions. Furthermore, they supervise the implementation of agreed projects.

The Sustainability section within the Corporate Sustainability department coordinates and manages all sustainability activities at LBBW, collects the relevant data, prepares statements for rating inquiries, prepares sustainability reporting, and initiates the further development of LBBW's sustainability policy and management.

Sustainability Activities ES

The potential effects of our business activities on our sustainability balance sheet are classified as "minimal," "average," or "significant." We include all issues classified as "significant" as priorities in our Sustainability Program.

Analysis of Sustainability Issues – LBBW Group

	Sustainability issues	Laws	Local	Global	Cost efficiency
Banking Products and Services	Asset management	Minimal	Average	Average	Significant (due to additional sales opportunities and enormous market potential)
	Lending	Average (Basel II)	Average (due to large group of local small- and medium-sized clients)	Average (activities abroad)	Significant (due to reputation risks [including with regard to working capital financing] and market opportunities)
	Project financing	Significant (pan-European emissions trading since January 2005)	Significant (financing of regional projects)	Significant (financing of international projects)	Significant (because of lending risks and opportunities associated with sustainable development)
	Real estate	Significant (liability due to existing contamination)	Average (business with real estate developers, project development)	Minimal	Average
	Retail banking	Significant (see Customers)	Significant (because retail customer business is locally based)	Minimal	Significant (also due to conventional financial ratings)
	Microfinancing	Minimal	Average (because also possible for new business start-ups)	Significant	Average (additional sales opportunities; sector growing by 40% per year)
	Leasing				
Environment	Society	Average (e. g. disclosure obligations)	Significant (job creation, value creation, corporate citizenship, public-private partnerships)	Average (microlending, indirect effects of export and project financing)	Average (image vis-à-vis customers, corporate citizenship, public-private partnerships)

Trend (future importance of the issue)	Issues	Macro issues	Indicators	GRI/VfU
Increasingly important (trend, legislative initiatives, e.g. pension funds in the UK, France)	Sustainable investments, SRI, PRI		% share of total	FS1-FS2, FS4-FS8, FS10-FS12, EC2
Increasingly important	Taking sustainability criteria into account in credit review processes	Sustainable supply chains		FS1-FS8, EC2, HR1, HR5-HR7
Increasingly important (because opportunities, as well as risks, are coming to the fore)	Financing for renewable energy projects, minimization of risks	Sustainable supply chains	Volume of financing for sustainable projects (e.g. renewable energies), % share of projects verified with regard to social and environmental risks	HR1, HR3, HR5-HR9, EC2, FS1-FS8
Increasingly important (current political developments and legislative initiatives)		Green buildings, climate change		
Increasingly important	Access to financial services	Social inclusion		FS1, FS4-FS5, FS7-FS8, FS11, FS13-FS14, FS16, EC2, PR3-PR8
Increasingly important	Access to financial services	Poverty, global population growth, social inclusion	Volume invested in microfinance funds	FS7, FS11
Increasingly important	Corporate citizenship, private partnerships, value creation, responsibility as a regional employer	Social commitment	Contributions (qualitative and quantitative), value-added calculation	EC1, EC8, SO1, FS13, FS14

	Sustainability issues	Laws	Local	Global	Cost efficiency
Sustainable Banking Operations	Energy	Average (due to Energiesparverordnung [German Energy Conservation Regulation])	Minimal	Significant (due to the use of non-renewable resources and problems caused by CO ₂)	Significant (due to prices rising as supply shrinks; relatively significant figure at LBBW)
	Paper	Minimal	Minimal	Significant (due to deforestation of tropical forests, water usage, etc.)	Significant (because recycled paper is less expensive than virgin fiber paper)
	Waste	Average (the Gewerbeabfallverordnung [Commercial Waste Regulation] stipulates source separation of garbage, among other things)	Average (because waste disposal sites are limited)	Minimal	Significant (due to high waste disposal costs)
	Transportation	Minimal	Average (because trips taken with passenger vehicles are increasing)	Average (problems caused by CO ₂ , kilometers traveled by air increasing)	Average
	Water	Minimal	Minimal	Minimal	Average
	Hazardous materials	Average (because new regulations must be implemented)	Average (because accidents are possible)	Minimal	Minimal
	Biodiversity	Average	Average	Average (worldwide loss of biodiversity)	Minimal
	Suppliers	Minimal	Average (depending on the production site)	Average (depending on the production site)	Average (depending on the amount of consumables)
	Employees	Significant (e. g. Allgemeines Gleichbehandlungsgesetz [General Anti-Discrimination Act], Betriebsverfassungsgesetz [Labor-Management Relations Act], and occupational health and safety laws)	Significant (because the majority of LBBW's workforce is regional)	Average (because > 95% of workforce in Germany, but this is assessed in ratings; trend toward increase in international business)	Significant (because motivation and training of employees is a deciding factor for business success in the financial services sector)
	Customers	Significant (e. g. advertising, banking secrecy, data protection, money laundering)	Significant (because LBBW has a regional focus)	Average (assisting customers with business abroad)	Significant

Trend (future importance of the issue)	Issues	Macro issues	Indicators	GRI/VfU
Increasingly important	Energy efficiency, renewable energies	Climate change	Consumption figures, share of green electricity	VfU
Increasingly important	Efficiency, recycled paper	Deforestation, scarcity of fresh water	Consumption figures, share of recycled paper	VfU
Same	Efficiency, recycling		Consumption figures, types of waste	VfU
Increasingly important (current political developments, Feinstaubverordnung [German Particulate Matter Regulation])	Minimizing CO ₂ emissions, raising awareness	Climate change	Breakdown of types of transportation	VfU
Same	Efficiency of use	Scarcity of fresh water	Consumption figures	VfU
Same	Conformity with laws			
Increasingly important	Green façades and roofs, nesting aids, etc.	Loss of biodiversity		EN11-15
Increasingly important (ISO 14001, consumer awareness)	Procurement standards, responsibility as a client to companies in the region	Sustainable supply chains	Supplier satisfaction, supplier standards	EC6 HR2
Increasingly important	Ability to combine career and family, diversity, compensation, equal opportunity, talent management, lifelong learning, occupational health and safety, job security, additional social benefits	Demographic change, social responsibility as an employer, sustainable human resources policies	Employee satisfaction, part-time employee ratio, workforce profile, compensation structure, turnover (possibly further breakdown by number of years of service), accident/illness rate	LA1-LA14, HR3-HR5, EC3, EC5, EC7, SO3, FS4
Same	Product responsibility, sales markets	Sustainable supply chains	Customer satisfaction, customer turnover	PR1-PR9, FS16

Sustainability Program 2009 **ES**

Our Sustainability Program for 2009 comprised a total of 30 projects aimed at improving sustainability performance at LBBW. Of these, 21 were completed, four were partially completed, and five were not completed. The following tables provide an overview of these projects categorized according to the matrix of sustainability issues (banking products and services, environment, sustainable bank operations).

Project descriptions in gray indicate measures continued from the previous year's Sustainability Program or measures agreed in prior years with longer time horizons.

Banking Products and Services

Measure	Division	Status	Final documentation
Launch of a sustainable bond fund: "LBBW Nachhaltigkeit Renten BWI".	LBBW Asset Management GmbH	✓	The sustainable bond fund "LBBW Nachhaltigkeit Renten" was launched for institutional investors in September 2009.
Signing of the European SRI Transparency Code for the "LBBW Nachhaltigkeitsstrategie BWI" sustainable retail investment fund.	LBBW Asset Management GmbH	✓	In June 2009, "LBBW Nachhaltigkeitsstrategie BWI" by LBBW Asset Management was the first fund launched in Germany to receive the European Transparency Logo for sustainable retail investment funds.
Review of suitable microfinancing investment options.	Retail Customers and Investors	✓	Review of suitable investment options for retail customers. None of the products available on the market is approved for public sale. Due to the inclusion of the "Dexia Micro Credit" fund in the BW Portfolio Fonds and Zielfonds, a corresponding product was created for our customers.
Addition of the bond asset class to the "sustainable investments in personal asset management" investment strategy.	Wealth Management	✓	The bond asset class was added to the "sustainable investments in personal asset management" investment strategy in the first half of 2009.
Signing of the Principles for Responsible Investment (PRI).	Administration	✓	In October 2009, LBBW became listed as a signatory in the "Asset Owner" category on the UN PRI Web site.
Implementation of the sustainability standards in the lending business developed in 2008 as part of a cost-benefit analysis.	LBBW Lending Management along with other specialized divisions affected	✓	The sustainability standards in the lending business developed in 2008 have been implemented in the lending process.
Prize for sustainable innovations Stage 1: Review and decision as to whether sustainable innovations by corporate customers can be awarded a prize by LBBW. Stage 2: If yes, announcement of a prize for sustainable innovations by corporate customers.	Target Group Management Corporate Customers/ Public Sector	✓	Feasibility study for announcement of a prize was prepared. After consideration of the benefits and expense, the division decided against implementing this project. Stage 2 cancelled.
Communication platform for sustainability issues Stage 1: Review and decision on development of a communication platform (including customer events) on the topic of sustainability. Stage 2: If yes, development of this type of communication platform.	Target Group Management Corporate Customers/ Public Sector	✓	A feasibility study was prepared on the development of a communication platform. After consideration of the benefits and expense, the division decided against implementing this project. Stage 2 cancelled.
Communication of "fair advertising" guidelines within LBBW/BW Bank as binding and generally applicable rules.	Group Communication/ Marketing	✓	The guidelines developed in 2008 were integrated into the Communication division's Intranet page in 2009.

¹ ongoing project
² extended



Completed



Partially completed



Not completed

Sustainable Banking Operations

Measure	Division	Status	Final documentation
Reduction of heating usage by the headquarters buildings Hauptbahnhof 2, Bollwerk, and Mannheim by 10% by 2008 from 140 kWh/m ² * per year in 2004.	BW Immobilien GmbH	✗	Heating usage in 2008 was 140.4 kWh/m ² .
Reduction of electricity usage by the headquarters buildings Hauptbahnhof 2, Bollwerk, and Mannheim by 10% by 2008 from 202 kWh/m ² * per year in 2004.	BW Immobilien GmbH	✗	Electricity usage in 2008 was 209.8 kWh/m ² .
Introduction of corrective measures if negative trends are observed in usage data.	BW Immobilien GmbH	~ ¹	One person was assigned to monitor usage data in the headquarters buildings and to introduce corrective measures.
Development and application of a method for separating energy consumption figures for building systems and IT systems (data center + office equipment).	BW Immobilien GmbH and IT/Organization	✗ ²	The procedure for measuring electricity usage was determined; measurements have been taken since January 2010.
Drafting of a work instruction on sustainable construction (» 2590) and operation (» 2570) of LBBW buildings.	BW Immobilien GmbH	~ ²	The first part of a work instruction on building planning and management was prepared by LBBW Immo and BWI.
Documentation of compliance with the work instruction on sustainable construction and operation of LBBW buildings.	BW Immobilien GmbH	✗ ²	Compliance with the work instruction cannot be documented until the work instruction has come into effect. The project was extended until Dec. 31, 2010.
Definition of sustainability standards for leasing of space in new construction.	BW Immobilien GmbH	✗ ²	Revision of the standards has begun. The project was extended until Dec. 31, 2010.
Preparation of product group strategies (e. g. for printers, servers, services) clearly based on sustainability issues.	IT/Organization	~ ²	Strategies were/are being developed for the product groups. The second step is to expand these to include specific sustainability issues.
Evaluation of existing IT suppliers taking into account sustainability issues using a standardized list of criteria.	IT/Organization	✓	A new evaluation tool for suppliers has been in use since November 2009. Gradually, the supplier information questionnaire is being updated and imported into the supplier database, and suppliers are being re-evaluated, including based on sustainability factors.
Additional sustainable prizes in improvement process.	IT/Organization	✓	The following sustainable prizes were introduced in the improvement process in 2009: - Tickets to Aktion Mensch draw - Fair trade coffee/coffee specialties - Organic chocolate
Set-up of at least one video conference room (in Stuttgart office) that can be used by all organizational units and communication of this project.	IT/Organization	✓	An overview of all of the available video conference rooms in various LBBW locations was published on the Intranet.
Including clearly sustainability-related events in the selection of events for the "Extras Erleben" program for employees.	Group Communication/Marketing	✓	In April 2009, the "Paper Art and Paper Production" event was held.

¹ ongoing project
² extended



Completed



Partially completed



Not completed

Measure	Division	Status	Final documentation
Internal communication of the measures and results of the employee survey from the "Germany's Best Employer 2008" competition to level 4 and all employees.	Human Resources	 ²	Workshops at group leader level have been held.
Implementation of the "German Corporate Diversity Charter" in the LBBW Group.	Human Resources		A permanent process for taking into consideration diversity issues (e. g. age, marital status, gender, disability) in relevant human resources policies was established in the course of 2009 to implement the German Corporate Diversity Charter at LBBW.
Additional daycare services at other offices: Cooperation with Familiengenossenschaft in Mannheim with the aim of creating daycare spots for 4 children and an emergency drop-in spot for children of LBBW employees.	Human Resources		In April 2009, the "Kleine Raupe" daycare center was opened in Mannheim with space for 4 children. The number of spots was increased from 25 to 35 at LBBW's "Frechdax" daycare center in Stuttgart.
Continuation of cooperation with the "Social Angels Initiative" and the Breuninger Foundation in the "Aktivsein verändert" ("Becoming active - changing") project to support employees engaged in civic activities during the post-employment period. Informational event in 2009 in cooperation with other companies in the Stuttgart region.	Human Resources		On Oct. 26, 2009, LBBW and the Social Angel foundation held an informational event at LBBW's Forum in Stuttgart.
Purchase of 100% green electricity for the LBBW, BW Bank, Rheinland-Pfalz Bank, and Sachsen Bank buildings (excluding the buildings of the former Sachsen LB) for 2009.	Administration		100% green electricity was purchased for the LBBW, BW Bank, and Rheinland-Pfalz Bank buildings in 2009.
Development of a plan for the prevention and early detection of and treatment options for psychological issues at work.	Administration		"Recommended Procedures for Managers Dealing with Employees with Psychological Issues" guidelines were prepared and made available to executive staff.
Occupational health service early detection initiative for colon cancer.	Administration		All LBBW employees over 45 were offered a free screening for early detection of colon cancer from March 9 to 31, 2009.
Planning and holding of special event days by the occupational health service: - "Ihr Arbeitsplatz im Blickpunkt" (Focus on Your Workplace) in Mainz on June 16, 2009; Mannheim on July 2, 2009; Karlsruhe on June 30, 2009 - Vision testing days in Stuttgart: July 2009	Administration		The events listed were held.
Organization of fuel-saving driver training available to all employees through the LBBW training program and communication of this project on the Blue.net travel management page.	Administration		Three sessions with 6 participants each have been held. The feedback from participants was uniformly positive.

¹ ongoing project
² extended



Completed



Partially completed



Not completed

Sustainability Program 2010 – 2011 ES

A comprehensive Sustainability Program was once again developed by the specialized divisions at LBBW for 2010. Some projects from previous years are continuing in 2010; they are marked in gray in the following overview. Additional measures can be incorporated into the current Program at any time.

Banking Products and Services

Measures	Achieved if/when ...	By	Responsible division
Initial signing of the European SRI Transparency Code for the “LBBW Nachhaltigkeit Renten” sustainable retail investment fund.	... the European SRI Transparency Code has been signed for the “LBBW Nachhaltigkeit Renten” sustainable retail investment fund, and the fund has received the European transparency logo for sustainable retail investment funds.	12/2010	LBBW Asset Management Investmentgesellschaft mbH
Organization of an investor conference on the topic of sustainability.	... a conference on this topic has been held.	06/2010 (status: completed)	LBBW Asset Management Investmentgesellschaft mbH
Participation in third-party sustainable investment events.	... we have participated in at least two sustainable investment events (e. g. “Grünes Geld” (Green Money) fairs).	12/2010	LBBW Asset Management Investmentgesellschaft mbH
Re-signing of the European SRI Transparency Code for the “LBBW NachhaltigkeitsStrategie BWI” sustainable retail investment fund.	... the European SRI Transparency Code has again been signed for the “LBBW NachhaltigkeitsStrategie BWI” sustainable retail investment fund, and the fund has again received the European transparency logo for sustainable retail investment funds.	ongoing	LBBW Asset Management Investmentgesellschaft mbH
Creation of a class of shares of the “LBBW Nachhaltigkeit Renten” fund for retail customers.	... a class of shares of the “LBBW Nachhaltigkeit Renten” fund has been created for retail customers and documented accordingly in the sales prospectus.	06/2010 (status: completed)	LBBW Asset Management Investmentgesellschaft mbH
Inclusion of the “LBBW Nachhaltigkeit Renten” sustainable bond fund in the products sold by BW Bank.	... the “LBBW Nachhaltigkeit Renten” fund has been included in the products sold by BW Bank, and the sales representatives have been informed of this.	06/2010 (status: completed)	Retail Customers/Private Banking Stuttgart Region
Development and sale of a sustainable savings bond.	... this type of product has been developed and made available for sale.	12/2010	Retail Customers/Private Banking Stuttgart Region
Conducting a sales initiative focused on sustainable investments with a corresponding product range for retail customers.	... a sales initiative focused on sustainable investments has been conducted, and corresponding products have been offered for sale.	12/2010	Retail Customers/Private Banking Stuttgart Region

Measures	Achieved if/when ...	By	Responsible division
Include at least two events per year with a clear relationship to sustainability in the "Rund ums Geld" (All About Money) event series.	... at least two events per year with a clear relationship to sustainability have been included.	12/2010	Retail Customers/ Private Banking Stuttgart Region
Cooperation with DB-Carsharing (including Flinkster) and DB-Call-a-Bike via "extend" value-added account: BW Bank customers receive bonus of reduced usage fees with the "extend" account.	... customers have been informed in "extend Magazin" about the new bonus feature of the "extend" account (DB-Carsharing and DB-Call-a-Bike).	06/2010 (status: completed)	Retail Customers/ Private Banking Stuttgart Region
Review of suitable microfinance investment opportunities for institutional investors.	... the review has been documented and a decision of "yes, will be offered" or "no" has been made and justified accordingly.	06/2010 (status: completed, accepted)	Capital Markets, Trading and Sales
Performance of a study to develop a strategic selection process for sustainable investments for the wealth management business area.	... this type of study has been carried out and documented accordingly.	12/2010	Wealth Management
Placement of a capital-protected bond on the EURO STOXX Sustainability Index.	... this type of product has been placed on the market.	06/2010 (status: completed)	Equity
Further expansion of the financing portfolio for renewable energy projects after the integration of LRP and SLB.	The target will be quantified internally.	12/2010	Corporate finance
Establishment of a cross-divisional working group on climate protection to determine relevant areas requiring action.	... this type of working group has been established and initial recommendations have been formulated.	12/2010	Administration
Development of measures to address lack of concrete operational measures in respect of the Guidelines for Sustainability in the lending business and the Group risk strategy on reputation risks.	... operational measures (e. g. for critical segments or procedures) have been developed by the Lending Working Group (currently divisions 31, 33, 47, 52, 56, 65, 24), a proposal has been drafted, and the measures have been implemented.	12/2011	Resolution by the Sustainability Committee
Review of the Bank's business processes for weak points allowing for corruption, fraud, and embezzlement: <ul style="list-style-type: none"> · Comparison of the results of the risk analysis with the business processes of the relevant specialized divisions or organizational units · Evaluation of these results · Proposals for minimizing risk · Development of suitable preventive measures 	... business processes have been evaluated by the FPB (Fraud Prevention Board), and remaining risks and suitable preventive measures have been defined.	12/2010	Autonomous Fraud Prevention Board

Sustainable Banking Operations

Measures	Achieved if/when ...	By	Responsible division
Development and application of a method for separating energy consumption figures for building systems and IT systems (data center + office equipment).	... a method for separating energy consumption figures has been developed and applied.	12/2010	BW Immobilien GmbH
Introduction of an energy management system and regular monitoring and reporting of usage data.	... an energy management system has been introduced and monitoring and reporting is being performed regularly.	06/2010 (status: partially completed)	BW Immobilien GmbH
Optimization of the energy efficiency of the headquarters building in Mainz: Analysis of the current situation and determination of a reduction target for relative electricity usage (in kWh/m ²). This should be aligned with comparable LBBW headquarters buildings.	... the current situation has been analyzed and a reduction target has been specified.	12/2010	BW Immobilien GmbH
Introduction of corrective measures if negative trends are observed in usage data.	... corrective measures have been introduced and documented if negative trends are observed in usage data.	ongoing	BW Immobilien GmbH
Realization of a new, innovative construction project in Karlsruhe featuring low energy consumption. Compliance with specified maximum primary energy requirement starting in 2009.	... the primary energy requirement amounts to no more than 120 kWh/m ² per year.	03/2010 (status: completed)	BW Immobilien GmbH
Drafting of a work instruction on sustainable construction and operation of LBBW buildings.	... a work instruction on sustainable construction and operation of LBBW buildings has been drafted.	12/2010	BW Immobilien GmbH
Documentation of compliance with the work instruction on sustainable construction and operation of LBBW buildings.	... compliance with the work instruction on sustainable construction and operation of LBBW buildings has been documented.	12/2011	BW Immobilien GmbH
Definition of sustainability standards for leasing of space in new construction.	... sustainability standards for leasing of space in new construction have been defined.	12/2010	BW Immobilien GmbH
Optimization of allocation of electricity costs for centralized IT to ensure accurate allocation by consumption: agreement of future allocation of electricity costs for data centers (energy, depreciation of infrastructure components, space, human resources) with Financial Controlling.	... the new allocation process for data center electricity costs has been approved.	12/2010	IT/Organization
Preparation of product group strategies (e.g. for printers, servers) based on sustainability issues.	... the product group strategies have been defined for all IT product groups in use at LBBW.	06/2010 (status: completed)	IT/Organization
Taking into consideration, if possible, sustainability-related events in the selection of events for the "Extras Erleben" program for employees.	... an "Extras Erleben" event with a clear relationship to sustainability has been held at least once per year.	ongoing	Group Communication/Marketing

Measures	Achieved if/when ...	By	Responsible division
Performance of a "berufundfamilie" audit (Work and Family Audit) by the Hertie Foundation at LBBW with the aim of receiving "audit berufundfamilie" certification.	... the "berufundfamilie" audit by the Hertie Foundation has been performed.	06/2010 (status: completed)	Human Resources
Approval of a new, binding Mission Statement.	... a new LBBW/BW Bank Mission Statement with leadership principles has been defined, approved, and published, and has been made available to managers and employees with the corresponding consequence management in place.	06/2010 (status: not completed)	Human
Internal communication of the measures and results of the employee survey from the "Germany's Best Employer 2008" competition to all employees.	... information has been disseminated to all employees.	12/2010	Human
Events to promote the health of employees, e. g. organizing a health day with sessions by LBBW on handling stress, work-life balance, etc.	... at least one health-promoting event has been held.	12/2010	Human Resources and Administration
Inclusion of the following advising opportunities in the range of services offered by the occupational health service: Health profile with metabolic panel and advising on personalized health strategy.	... information on the new service, including a survey for the health profile, has been published on LBBW's Intranet.	06/2011 (status: completed)	Administration
Sustainable optimization of LBBW's inventory of vehicles (primarily fleet vehicles) by way of development of a product-specific survey and an evaluation matrix for vehicles (passenger vehicles, trucks) as part of Work Instruction 2490-004 "Nachhaltige Beschaffungen und Auftragsvergaben" (Sustainable Procurement and Award of Contracts).	... the work instruction on sustainable procurement has been expanded to include product surveys and an evaluation matrix for vehicle procurement.	12/2010	Administration
Purchase of 100% green electricity for the LBBW, BW Bank, and Rheinland-Pfalz Bank buildings for 2010.	... 100% green electricity has been purchased in 2010 for the buildings listed.	12/2010	Administration
Organization of fuel-saving driver training available to employees through the training program and focused communication of this project.	... this course has been included in the 2010 training program.	12/2010	Administration
Identification of particularly sustainable items in the catalog for ordering supplies.	... criteria and a symbol for identification have been developed and the labeling has been implemented in the catalog.	12/2010	Administration
Introduction of an electronic mailbox in BW Bank's online banking for reduction of paper usage.	... an electronic mailbox has been set up in online banking, and customers have the opportunity to use it.	12/2010	Retail Customers/Private Banking Stuttgart Region

Stakeholder Communication ^{ES}

The diversity of LBBW's various stakeholder groups is matched by the variability of their interests and demands on us. We endeavor to systematically record and evaluate the expectations of our customers, employees, owners, and community groups. We believe that they can give us valuable suggestions for improving our sustainability management, leveraging business opportunities, and avoiding risks.

Conversely, it is important to us to explain the position and strategy of the Bank to our stakeholders in order to avoid misunderstandings and gain supporters who understand our approach.

Proposals from the stakeholder dialogues are included in development of the Guidelines for Sustainability, Sustainability Policy, and operating rules for the lending business.

Sustainability Reporting

We provide information about our sustainability activities within the Bank and to the public at large on our sustainability Web site (<http://nachhaltigkeit.lbbw.de>) and in our comprehensive, annually updated Sustainability Report. Originally a purely print publication, we have published the Report exclusively online since 2009 and supplement it with current news and trends

in the "Newsbox" on the LBBW sustainability site. The Sustainability Report is based on the established reporting standards of the Global Reporting Initiative (GRI).

Internal Communication

The Blue.net Intranet is the central internal communications tool at LBBW. With 47,000 pages and around 250,000 page views per month, Blue.net is a comprehensive and actively used information platform. Sustainability issues have also found a permanent home in the quarterly employee publication "inside." We use both media to inform employees about our sustainability activities in order to boost acceptance of the issue and gain likeminded partners.

Communication with Customers

We regularly exchange information with our retail and corporate customers as well as our investors at trade fairs and conferences and an entire series of events we organize.

- One new event was the first Sustainability Conference organized by our subsidiary LBBW Asset Management in Stuttgart on April 29, 2010. A large number of institutional customers who are increasingly interested in ethically oriented investment strategies discussed current developments in the market for sustainable investments with representatives and fund managers from our asset management subsidiary. External presenters, such as Prof. Dr. Udo Steffens from the Frankfurt School of Finance & Management and Prof. Dr. Josef Wieland from the KleM Institute for Intercultural Management, Values and Communication, spoke about issues including sustainability and ethics in relation to the financial and economic crisis, and the opportunities offered by sustainable investments.
- Another event on a subject no less interesting was held on October 29, 2009 in Stuttgart: the Renewable Energy Symposium. At the meeting, held by LBBW Project Finance Renewables, 150 industry representatives informed themselves about the latest developments in the renewable energy sector.
- The capital markets were the topic of the sixth LBBW-organized Renewable Energy Conference in Zurich, Switzerland, which was attended by 90 institutional investors.
- The 1st LBBW Asset Management Forum concentrated on family offices, asset management, and foundations. Presentations were made to the 110 guests at LBBW's Stuttgart customer conference center about subjects such as microfinance

investment opportunities, in which investors can extend microloans to entrepreneurs in developing countries.

- LBBW's subsidiary BW Bank initiated a broad-based information campaign in spring 2010 to raise awareness among its customers about the opportunities offered by sustainable investments. In more than 200 branches, financial advisors spoke with interested consumers about how they could invest their money safely while at the same time accomplishing something meaningful in the campaign entitled "Returns with a Clear Conscience."
- Last year, BW Bank also organized dialogues for the first time in which retail customers were asked about their expectations of the Bank. In addition to the regularly conducted customer satisfaction analysis, each of the seven managers of the retail customer business held a dialogue to collect feedback and suggestions from customers.

Communication with Non-Governmental Organizations

We also regularly exchanged information with non-governmental organizations (NGOs) in a series of events organized by Urgewald e. V. and Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e. V. (VfU – Association for Environmental Management in Banks, Savings Banks, and Insurance Companies). Each event focused on a different topic for discussion on which the participating banks and NGOs presented their points of view. In 2009, the subjects were bioenergy and weapons.

Sustainability Ratings, Rankings, and Memberships ^{ES}

Just as we evaluate the sustainability performance of suppliers, partners, and companies, our commitment to sustainability is reviewed by neutral rating agencies. Sustainability ratings, unlike ratings measuring financial strength, are generally not commissioned and paid for by the companies being rated, but instead by investors. They are an important basis for decision-making for the constantly growing number of sustainability-oriented investors, who have long included conventional institutional investors, not just charitable organizations.

Ratings and Rankings

As a result, the number of sustainability ratings has increased, as has the depth of their analyses; the agencies base them on up to 200 individual criteria. From October 2009 to May 2010 several new inquiries were made of LBBW.

- Munich-based oekom research AG rated us C overall on a scale of A+ (best) to D- (worst) in May 2010. This result puts us over the minimum threshold for sustainable investments in the financial services industry as specified by oekom; we were rated "prime." For this



reason, oekom research will recommend LBBW market-traded securities as a good investment from an ecological and social standpoint. In the current industry analysis, a total of 37 savings, cooperative, state, and regional banks were reviewed with regard to their social and environmental activities. LBBW placed third overall and first among German banks.

- LBBW received 70 out of a total of 100 points in the sustainability rating produced by sustainability in March 2010. This puts us in second out of 76 places at international level in this rating in the non-stock exchange-listed financial institutions sector.
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- The vigeo group, one of Europe's leading agencies for sustainability ratings and a partner organization of Ethibel, evaluated us in April 2010. Compared with the rest of the sector, LBBW has an above-average sustainability rating.

- Since April 2007, LBBW has been represented on both the Ethibel PIONEER and Ethibel EXCELLENCE sustainable "investment registers." Ethibel reviews



this status on a regular basis.

- In 2008, LBBW's sustainability performance was assessed for the first time by ZKB (Zürcher Kantonalbank). On a 9-point scale from C to AAA, LBBW received a sustainability rating of A. According to ZKB, the result is good compared to that of other banks in ZKB's sustainable investment universe.
- LBBW's Sustainability Report 2007/2008 placed first in the bank category in the 2009 ranking by the independent Institute for Ecological Economy Research (IÖW) and Unternehmensinitiative future e. V. In the overall evaluation of major German corporations, we placed ninth among more than 100 sustainability reports assessed.

at all levels. Above and beyond its global activities, UNEP FI launched a round table in conjunction with the Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e. V., or VfU (Association for Environmental Management in Banks, Savings Banks, and Insurance Companies), with the goal of "establishing an innovative forum for financial institutions in German-speaking countries for introducing and promoting the issue of sustainability in the finance sector." The topic of the most recent round table in 2009 was "Mission Is Possible - Taking Responsibility: Economic Crisis and Sustainability."

The VfU also organizes numerous workshops in which we participate actively. In 2009, for example, events were held on the subjects of biodiversity, new media, and sustainability and the human race. Various issues involving sustainability in corporations were also part of this series.

Since July 2008, LBBW Asset Management has been a member of the "Forum Nachhaltige Geldanlagen" (German Sustainable Investment Forum), an association bringing together over 80 companies and organizations promoting sustainable investments.

Memberships

LBBW is an active member of the United Nations Environment Programme Finance Initiative (UNEP FI), a partnership between the UN's Environment Programme and over 180 companies worldwide. The goal of this partnership is to support financial institutions in integrating sustainability issues into their companies

Binding Standards

As part of our sustainability management activities, we have specified binding standards for many of the Bank's units and activities.

Standards for Partners

We have defined uniform criteria for the selection of products and business partners within the framework of our supplier management activities. On the one hand, this enables us to ensure that the manufacture and use of products at LBBW meets the highest sustainability standards possible. On the other hand, we aim to promote policies and business practices by our business partners that are as environmentally and socially aware as possible.

Voluntary Commitments in Advertising

We take care to ensure that all marketing measures fall within the scope of generally accepted societal values and the prevailing opinions about decency and morals in society. Legal regulations pertaining to advertising, such as the prohibition against advertising containing dishonesty or misleading statements, are adhered to strictly and always reviewed when an advertising concept is developed. In this regard, we primarily follow the basic commercial communication guidelines of the Deutscher Werberat (German Advertising Council) (>><http://www.werberat.de>)

Consequently, we have not been issued sanctions, fines, or warnings due to non-compliance with advertising regulations during the period under review (October 1, 2009 to August 31, 2010).

Scope of Applicability and Certifications

Our sustainability management system is applicable to the LBBW parent company (including BW Bank, which was integrated into LBBW in 2005, and the former Landesbank Rheinland-Pfalz and Landesbank Sachsen, which have been part of LBBW since 2008) and the wholly owned subsidiaries GastroEvent GmbH, LBBW Immobilien GmbH (including BW Immobilien GmbH), and LBBW Asset Management Investmentgesellschaft mbH.

Environmental Performance Statement

The Environmental Performance Statement and the environmental indicators and time series cover all of the buildings used by LBBW in Germany, including leased buildings. Unless stated otherwise, information on LBBW refers to the LBBW parent company. This information includes data from all of the aforementioned subsidiaries. LBBW Immobilien GmbH data is not included and is listed separately due to the company's size. Also not included is data concerning

leased buildings and LBBW's foreign branches, whose data is not collected. As of December 31, 2009, a total of 1,019 individuals were employed by the LBBW Group abroad.

Whereas data on materials purchasing, business travel booking, and waste quantities is collected and managed centrally for the Bank as a whole, we compile data on electricity, heating, and water usage for each site individually. The usage data for subsidiaries, such as GastroEvent GmbH, which operate in LBBW buildings is therefore automatically included in our Environmental Performance Statement. In exceptional cases, this also applies to tenants who use parts of our buildings (especially the Savings Bank Association of Baden-Württemberg). Their usage cannot be subtracted from LBBW's figures.

EMAS Certification

We have committed to complying with the standards of the Eco-Management and Audit Scheme (EMAS) and ISO 14001. Their implementation is verified once a year by means of an internal and external audit.

The following are validated according to EMAS and certified according to ISO 14001:

- the Am Hauptbahnhof 2 building and three buildings located at Pariser Platz in Stuttgart with 4,110 full-time equivalents (FTE, i. e. the number of full-time employees and part-time employees expressed as full-time employees);
- the Fritz-Elsas-Strasse 31 building (known as the "Bollwerk" building) in Stuttgart with 361 FTEs;
- the Königstrasse 3 building in Stuttgart with 119 FTEs;
- the Kleiner Schlossplatz 11 building in Stuttgart with 184 FTEs;
- the Augustaanlage 33 building in Mannheim with 392 FTEs.

Relationships with Suppliers ES

As a major bank, we maintain business relationships with more than 600 suppliers and service providers. The volume of externally sourced non-IT products alone (items such as office supplies, brochures, furnishings for the branches, supplies for hosting guests, cleaning products, promotional gifts, and services) totaled EUR 75 million in 2009 (not including marketing expenses). The value of IT products (hardware, software, third-party services) purchased amounted to EUR 220 million. We apply our purchasing standards, which are applicable Bank-wide, and a systematic supplier selection and evaluation process to ensure that sustainability criteria are taken into consideration in purchasing.

Purchasing Standards

The criteria specified in the "Sustainable Procurement and Award of Contracts" Work Instruction has been applicable to all non-IT product purchases since 2007. For IT products, the procurement criteria are derived from the strategy papers for the individual product categories, called "product group strategies."

These standards applicable throughout the Bank enable us to ensure that sustainability issues are factored into all investment decisions and, in cases where several comparable product alternatives are available, the best product in terms of sustainability is chosen. On the one hand, this enables us to ensure that the manufacture and use of products at LBBW meets the highest sustainability standards possible. On the other hand, this allows us to promote environmentally and socially aware policies and business practices by our business partners.

Currently, compliance with our purchasing standards and criteria is still reviewed using spot checks. However, we are working on standardizing this review process.

Every supplier (and every company that wishes to become a supplier) is required to sign the Sustainability Agreement for LBBW Suppliers. This agreement compels our suppliers to comply with what we consider to be essential environmental and social criteria. Any supplier violating the social standards contained in the Sustainability Agreement (e. g. prohibition against human rights abuses, such as child labor, in the manufacturing process) must accept this violation as grounds for termination without notice of the Agreement.

Supplier Assessment

A supplier information questionnaire forms the foundation of our supplier evaluation and selection process. This survey, which also includes general questions on sustainability issues, is available on the LBBW procurement page www.LBBW.de/Einkauf on the Internet. The sustainability questions relate to the environmental friendliness of the company, its production processes, and its products, as well as how it deals with employees, and, if necessary, with suppliers abroad.

The question about working conditions in other countries is important to us, because LBBW as the end customer cannot itself inspect the working conditions at the manufacturers' sites (e. g. in Asia). By including this issue in our supplier and product selection process, we minimize our risk of purchasing products that were manufactured under inequitable working conditions or violations of basic human rights.

Another key factor is the location in which a product is manufactured. In order to give our regional economy a boost and minimize the distance transported, we prefer to use suppliers from Baden-Württemberg and our other core business territories. Currently, more than 80% of our non-IT purchasing budget comes from suppliers from these core business areas.

Moreover, the supplier information questionnaire includes questions about individual product categories (paper, promotional materials, office furniture, PCs, notebooks, printers, etc.) In purchasing IT hardware, for instance, we ask suppliers about the electricity usage of the equipment and give preference to products that use less electricity.

As a general rule, we do not purchase products made of tropical wood, produced using child labor, or manufactured under inhumane/inequitable working conditions. In addition to these basic exclusion criteria, there are also specific exclusion criteria that apply to individual product groups. For example, furniture may not be purchased if the total emissions exceed 300 µg/m³ total volatile organic compounds (TVOC).

Service Provider and Supplier Selection at LBBW Subsidiaries

We have developed a sustainability clause for our real estate management service contracts that requires, among other things, that service providers comply with all applicable environmentally relevant regulations and ensure that their employees receive sufficient training on sustainability issues. Cleaning companies are provided with a list of the environmentally friendly cleaning supplies permitted in our offices. Each contractor must submit an overview of the type and amounts of cleaning supplies they use each year.

In selecting suppliers, our subsidiary GastroEvent GmbH gives preferred status to smaller, regional suppliers. Our cafeterias strongly emphasize seasonality in their meal planning. In addition, our company cafeterias in the Pariser Platz and Am Hauptbahnhof buildings (each serving approximately 2,000 meals per day) have been organically certified since 2007 and regularly serve dishes prepared with organic ingredients. The coffee served is certified organic and fair trade.

Sustainable Construction Materials

Special contractual conditions also apply to construction projects undertaken on behalf of LBBW. For example, no CFCs or materials that are manufactured using CFCs are permitted to be used in LBBW construction projects. Tropical wood is also prohibited. Some construction materials, certain wood preservatives and organic solvents may only be contained in construction products with express approval from LBBW.

Tenders issued by BW Immobilien GmbH contain an additional extensive list of guidelines pertaining to construction materials.

Compliance

Financial Crime

Experience shows that weak points allowing for criminal acts, such as fraud and corruption, are found where people with the corresponding skills can increase their level of authority or misuse their authority without authorization.

Our system and functional audits at LBBW focus on precisely these weak spots. Based on an in-house "Fraudulent Activities Risk Analysis" by the Compliance division, business processes in at-risk business units were identified. In a cross-divisional project, the Fraud Prevention Board analyzes these weaknesses in detail, then evaluates and develops suitable preventive measures. The remaining risks are described, also evaluated, and then subjected to special monitoring.

In 2009, no corruption proceedings were conducted against LBBW or the subsidiaries integrated into the sustainability management process. No fines were levied.

Violations of Environmental Law

In 2009, the Bank did not incur any fines or penalties resulting from non-compliance with statutory environmental regulations.

Supplier Management Standards

We are fully implementing the guidelines for tenders and purchasing of products and services in large corporations proposed by the anti-corruption organization Transparency International as a part of supplier management in the Purchasing/Mobility department.

Money Laundering Prevention

The requirements of the Geldwäschegesetz (German Money Laundering Act), which was amended in 2008, necessitated substantial adjustments in processes, both in money laundering prevention activities and sales. The focus of the Money Laundering Act is on an institution-specific, risk-oriented approach, which is determined in particular using a detailed analysis of the Bank's risk situation. The result is that multi-level companies, correspondent banks, and foreign customers that exercise important public office are subject to stricter auditing requirements and must meet increased transparency and integrity standards.

In addition to technical support for reviewing transactions, this responsibility requires particularly well-trained and skilled employees. For this reason, we have developed a training concept including basic, follow-up, and specialized training that is binding for all LBBW employees. In addition, compliance officers are assigned to the various divisions and sales departments to support our money laundering and fraud prevention staff in exercising their duties directly on site.

Data Protection

A dedicated data protection officer is responsible for the confidential handling of customer data at each of our subsidiaries. At LBBW, the data protection officer reports directly to the Chairman of the Board of Managing Directors.

Implementing the guidelines stipulated by the second reform of the Bundesdatenschutzgesetz (German Federal Data Protection Act) in conjunction with the revised version of the Gesetz gegen den unlauteren Wettbewerb (German Act Against Unfair Competition) is of practical relevance for the sales and marketing units. The expansion of the auditing, control, and documentation requirements in awarding contracts to external service providers results in additional effort before contracts are signed and during their term. To this end, new processes were designed and their implementation begun.

In 2009, the number of customer complaints about employees alleged to have breached banking secrecy or data protection rules dropped to 19 (previous year: 21). All complaints were recorded and investigated thoroughly. In two cases, employees were found to have engaged in misconduct. As a result, discussions were held with the responsible employees and the appropriate measures under labor law were taken.

In order to prevent breaches of banking secrecy and data protection rules, all employees are informed about and sensitized to this issue by way of corresponding training sessions and notices on the Intranet, among other means.

As in previous years, subsidiaries in the LBBW Group were audited according to the standards of the Bundesamt für Sicherheit in der Informationstechnik (Federal Office for Information Security). The result

was that the data protection level at all subsidiaries in Germany is at a uniformly high level.

In the past year, LBBW Data Protection Officers additionally spot-checked internal organizational units within the LBBW Group 24 times. This process primarily looked at role and authorization concepts, storage of third-party and partner products, content filtering of incoming e-mails, video monitoring, data center security, ordering processes for "extend" accounts, and the operation of branches in accordance with data protection law. We also thoroughly analyzed third-party service providers, including those involved in the credit card business, the destruction of files and data storage media, and PC services. No violations of data protection guidelines were identified.

Capital Market Compliance

At LBBW, an independent compliance function has implemented processes and procedures aimed at minimizing the risk of violations of the Wertpapierhandelsgesetz (German Securities Trading Act). This effort is embodied in the Compliance Guidelines and Conflict-of-Interest Management Guidelines in effect and tracked on an ongoing basis.

Corporate Governance

The restructuring of LBBW is also causing major changes to the existing corporate governance structure. By the end of 2013, LBBW's legal form will change from a public-law institution (Anstalt des öffentlichen Rechts) to a German stock corporation (Aktiengesellschaft). Despite its public-sector owners, this means that the Bank will be managed as a private-sector company in the future.

As a result of the amendment of the law and ordinance of Landesbank Baden-Württemberg, the functions of the governing bodies stipulated by the ordinance, such as the General Meeting, Supervisory Board, and Board of Managing Directors, will be redefined. The goal is to achieve a clearer division of responsibilities and more transparency. In line with the decision by the European Commission, the authority of the General Meeting will be limited to the typical duties of an annual general meeting in accordance with the German Stock Corporation Act, in particular the right to information and resolutions on the allocation of profits. Going forward, the supervisory and monitoring functions of the Board of Managing Directors will be exercised exclusively by the Supervisory Board.

Additional changes to the law and ordinance are intended to ensure that the Bank is governed solely according to business criteria in the future. In accordance with the objectives of the German Corporate Governance Code, a certain percentage of the seats on the Supervisory Board will be occupied by independent experts. During the restructuring phase ending in late 2013, the role of Supervisory Board Chairman must also be occupied by one of the independent members. The qualification requirements applicable to board members ensure that these boards can optimally exercise their duties.

Remuneration of the Board of Managing Directors

The total remuneration of the members of LBBW's Board of Managing Directors comprises both non-performance-based and performance-based components. In fiscal 2009, this compensation totaled EUR 4.5 million (previous year: EUR 5.7 million). The total remuneration paid to former members of the Board of Managing Directors and their surviving dependents amounted to EUR 9.0 million (previous year: EUR 9.9 million) during the same period. This includes remuneration for the members of the Board of Managing Directors of former Sachsen LB and LRP.

Principles for Responsible Investment

LBBW was the first German Landesbank to sign the United Nations' "Principles for Responsible Investment (PRI) in October 2009. In doing so, we have committed to addressing the issues of environmental protection, responsible corporate governance, and social issues more effectively in our investment strategies in the future.

By signing the PRI, we are ultimately also taking into consideration consumer wishes. Concretely, we aim to combine investor interests with societal goals: Addressing environmental, social and corporate governance ("ESG") issues means increasingly including these factors in investment-related analysis and decision-making processes.

In addition to LBBW, around 780 PRI signatories from 44 countries have voluntarily committed to these guidelines. Together they have assets under management currently totaling USD 20 trillion.

- » PRI Web site: www.unpri.org
- » PRI Web site in German:
www.unpri.org/principles/german.php

Commitment to Sustainability

We define sustainability as treating people and the environment in a responsible and respectful way. As a corporate citizen focused on the common good, we promote the sustainable development of the regions in which we operate as a bank. Before we can do this, however, we must further develop LBBW itself to be profitable and fit for the future – a goal toward which we are currently directing all of our energy.

Responsibility for Our Customers:

Our customers, the earth's climate, society as a whole, and the environment all benefit equally from our expert analyses as well as our sustainable investments and financing options.

Responsibility for Our Employees:

We promote continuing education for our employees, encourage a healthy work-life balance, and support the diversity of talent and skills within the Bank.

Responsibility for Society:

With our donations, sponsorships, and foundations, we support selected projects in the fields of art, culture, sports, and social service.

Responsibility for the Environment:

Like any other company, we use energy and consume resources, thereby putting a burden on the earth's climate. However, we are working continually to reduce our ecological footprint.

Customers

Committed to being green, doing business responsibly, adding value. We support our customers on the path to a sustainable future.

Small- and medium-sized companies on the way to the market of the future: It might be builders who want to “capture” the sun’s energy on the roofs of homes. Or foundations that want their capital invested in an ethical manner. Customers like these form the core of our business – and always have. However, the financial crisis has brought into sharp focus how vital a trusting relationship between a bank and its clients really is.

We sense it in the insecurity that dominates so frequently on the customer side today. And we see it in the growing number of inquiries from clients who rely on LBBW, BW Bank, Rheinland-Pfalz Bank, and Sachsen Bank as reliable, fair partners – especially now.

That is why we again expanded our scope and range of advisory services and products in 2009. We also had our advising processes extensively tested and certified by TÜV (Technical Monitoring Association) auditors. Our BW bank advisors invested 1.8 million hours this past year advising our customers.

This enormous effort will pay off: We are convinced of that. After all, by standing side-by-side with our customers, providing them with all the services they need and helping them avoid risks, we are ultimately doing business responsibly on our own behalf. And that is more true today than ever before.

“We are very strict”

JÜRGEN ZIRN

Managing Director of LBBW Asset Management, on sustainable investments



How does LBBW Asset Management define the concept of sustainable investment?

We take a very strict approach and define this concept as simultaneously paying attention to environmental, social, and economic criteria in investing.

How exactly do you select the candidates for sustainable investments?

We use a multi-step selection process. The first step is analyzing the entire investment universe consisting of approximately 1,000 German and global companies through the lens of sustainability. To do so, we use the results produced by the sustainable rating agency oekom research AG, which is the leader in terms of quality standards. Using the best-in-class approach, the

only investments we will consider are companies whose performance in environmental and social issues is above average in a particular industry. We additionally consider a number of defined exclusion criteria eliminating companies involved in controversial businesses and practices, such as nuclear energy, the defense industry, child labor, or corruption. After these two steps, about 300 companies remain. In a final step, they are subjected to classic, qualitative fundamental analysis by our internal research and fund management team.

Other companies use oekom-research ratings as well. What is the difference between your selection process and that of your competitors?

Not every rating is used in the same way. The precise definition of “best-in-class,” for instance, varies depending on whether only the top quintile of companies in an industry is included, or if the measuring stick is lower, and that is decided by the relevant asset manager in each case. We are significantly stricter in this regard than our competitors. Mainly, we tighten up the standard by applying more extensive and stricter exclusion criteria.

Despite strong performance, sustainable investments are still a niche product. Why?

What is clearly lacking is an unambiguous definition of the term “sustainability.” On the one hand, there are a considerable number of specialized “green” funds that receive no explicit sustainability rating. On the other hand, there are also sustainable funds that could be considered “light green”: they follow a sustainable approach rather loosely. It is up to the industry to do a lot more work in explaining these products to the public. The European transparency logo is a key step here, and we are proud that our “LBBW Nachhaltigkeit Aktien” sustainable equity fund was the first sustainable fund in Germany to receive this quality seal.

Doesn't the best-in-class approach contribute to the lack of clarity surrounding this term?

Of course, we hear critical voices as well. This criticism is leveled toward sustainable investment strategies in which the best-in-class approach is the only sustainability tool applied. As a result, our Bank combines the best-in-class approach with strict and comprehensive exclusion criteria. This is how we ensure that we only select the most sustainable companies/issuers in a particular industry after excluding companies/issuers that do business in controversial industries or that follow controversial business practices. In addition, the best-in-class approach also substantially improves the risk-return profile of a fund investment, because investments are made in many industries, and investors are therefore exposed to less substantial fluctuations.

Sustainable Products – Sustainable Action **ES**

“Resource allocation” is the official term for describing how available funds, energy, and skills are used. From this perspective, “resource allocation” is an excellent term for something that we have been doing for a long time.

Years ago, we developed comprehensive equity analysis experience in the field of renewable energies and have helped several companies in this sunrise industry go public. We also wrote “Guidelines for Sustainability” intended to assist us, for example, in avoiding sustainability-related risks in financing – and to allow us to disproportionately benefit from the corresponding opportunities. Today, we offer both retail and institutional clients an extensive portfolio of sustainable products. And we help more than 600 non-profit foundations securely invest their capital.

In this way, we are supporting our customers in investing their assets in a responsible, environmentally friendly, and socially acceptable manner. In other words, we help them achieve the most sustainable allocation of resources possible for them, for us, and for society as a whole.

Investment Products

The market for sustainable investments has not only come through the financial crisis relatively well, but has actually grown to record levels in 2009. Never before has the selection of sustainable retail funds on the European market been as large as today; never before has the volume been greater. And interest in this issue among institutional investors is growing further.

At the end of 2009, 313 sustainable retail investment funds totaling around EUR 30 billion were available on the German, Austrian, and Swiss markets: 39 more funds than a year before (total then: nearly EUR 21 billion).

Sustainable investments are positive not only for the environment, society, and one's conscience, but also in the financial sense. This is underscored in a study conducted by management consultants Mercer in November 2009. Mercer's metastudy provides an overview of scientific investigations of the connection between sustainability and the performance of an investment. In total, 16 international studies published between 2007 and 2009 were analyzed. Ten studies came to the conclusion that taking into account sustainability criteria positively affected investment performance. There were no studies that indicated a purely negative correlation.

This theory is also supported by the performance of our sustainable investment products. Customers who invested in the "LBBW Nachhaltigkeit Aktien" fund in 2009 benefited from 36.4% value growth – around 2.3 percentage points more than the Dow Jones Sustainability World benchmark index. However, the total assets at LBBW invested in sustainably invested or managed products remains at 0.74% (Asset Management) and 1.5% (LBBW-Asset Management Investmentgesellschaft mbH) of total invested capital, respectively.

LBBW promotes the continually growing interest in sustainable investments primarily by offering our

customers a series of our own, as well as third-party, investment products with a sustainability focus. In 2009 and 2010, we also organized various customer events on the relevant products and services and participated in a variety of events.

Sustainable Retail Investment Funds

LBBW Asset Management Investmentgesellschaft was recognized this year for its many years of experience and expertise in the field of sustainable retail investment funds and awarded the 2010 ESG Award as best sustainable asset manager in Germany.

Companies are selected to be included in the "LBBW Nachhaltigkeit Aktien" equity fund for institutional and retail investors if they meet certain social, cultural, ethical, and environmental criteria. The composition of the investment universe is based on sustainability ratings issued by Munich-based oekom research AG, one of the world's most experienced, top independent rating agencies in the sustainable investment segment. This fund invests in companies worldwide that exhibit an above-average commitment to sustainability within their industries (best-in-class approach). Positive screening is enhanced by strict exclusion criteria: This sustainable fund uses negative screening to identify and eliminate companies pursuing ethically questionable business practices and those from controversial sectors, such as the alcohol, gambling, or defense industries.

In addition, the "LBBW Nachhaltigkeit Aktien" fund is the first fund launched in Germany to carry the European transparency logo for sustainable retail investment funds. This logo identifies sustainable retail investment funds that are transparent in their investment criteria, research processes, and investment policies, thereby boosting investor confidence.

In September 2009, we also launched the “LBBW Nachhaltigkeit Renten” sustainable bond fund. This fund invests in government bonds, Pfandbriefe (covered bonds), corporate bonds, and sovereign bonds that exhibit above-average performance in terms of sustainability. We work with oekom research AG analysts to select these companies as well. “LBBW Nachhaltigkeit Renten” follows a very strict sustainable approach in which the best-in-class method is combined with extensive exclusion criteria (negative screening). In this way, the fund fulfills the requirements of churches, pension funds, and other sustainability-oriented investors, as well as offering a good chance of outperforming the market by avoiding ethical, political, and environmental risks. In March 2010, the fund became available to retail customers and is sold by BW Bank. Since May 1, 2010, it also carries the European transparency logo awarded to sustainable retail investment funds.

Based on our sustainability strategy, LBBW Asset Management Investmentgesellschaft mbH has also managed several specialized funds for institutional clients since 2002. These are funds for large-scale investors that are managed in accordance with their individual investment goals.

The “LBBW Global Warming” equity fund offers our clients the opportunity to react to global challenges and the investment requirements brought about by climate change while investing across industries and achieving a high degree of risk diversification. The fund invests specifically in companies that offer products and services that work to counteract global warming or to mitigate its ecological and economic effects.

Thanks to its strong performance, the fund took second place in a three-year comparison in the “Goldene Bullen” Fund Award 2010 competition

by EuroFinanzen. The fund took third place in a one-year comparison in the same category in 2008 and received an AA+ rating from rating firm Telos. Moreover, the fund was awarded five FWW FundStars (as of July 6, 2010) and a Lipper Leader rating of five (as of July 6, 2010).

The “Swisscanto Green Invest” equity fund we market invests worldwide in shares of companies that are environmental leaders in their industries. Manufacturers of weapons and tobacco, nuclear power plant operators, airlines, and automobile manufacturers are excluded.

BW EcoSparbrief

For many years now, we have been financing renewable energy projects. The BW EcoSparbrief sold in March and April 2010 allowed customers to invest directly in this sector. “Returns with a clear conscience” was the slogan BW Bank used to launch a broad-based information campaign to educate its clients about the opportunities offered by sustainable investments. In more than 200 branches, financial advisors spoke with interested consumers about how they could invest their money safely while at the same time accomplishing something meaningful.

Asset Management According to Ethical, Social, and Environmental Criteria

BW Bank’s asset management team applies sustainability-oriented criteria in selecting investments for portfolios upon request. To this end, an updated investment universe is supplied quarterly by the rating agency oekom research AG, which BW Bank’s asset managers use to select investments for individual portfolios. Currently, we manage assets of EUR 24 million based on sustainability criteria.

Independent tests have repeatedly found our asset management activities to be exemplary. As in past

years, BW Bank's asset management team again placed at the top of firstfive's ranking in all risk classes in 2010.

Sustainable Investment Certificates

LBBW's "Safe-Anleihe mit Cap" (date of inception: March 1, 2010) combines the qualities of a sustainable investment with a high degree of security. The bond's underlying basis is the EURO STOXX Sustainability Index, an index which follows environmental and social, as well as financial, criteria in selecting companies.

By acquiring the "LBBW NachhaltigkeitsStrategie Zertifikat" (date of inception: June 15, 2007), our customers are investing in companies that gain a competitive advantage by balancing economic, environmental, and social goals.

Our customers can profit from the stock price performance of selected companies in the high-growth solar industry thanks to the "LBBW Solar-Zertifikat", which was launched on October 8, 2007. The selection of the stocks included is based on assessments by LBBW Research and includes major industry players, such as Q-Cells and SolarWorld.

Closed-End Funds with a Focus on Sustainability

BWEquity is LBBW's center of excellence for closed-end funds and selects equity investments available on the market independently of the supplier according to a specified assessment framework. Part of this process is ensuring that closed-end fund investments also satisfy sustainability criteria. After intensive review and approval for placement, these funds are offered to BW Bank and the savings banks in LBBW's business territory as an investment opportunity for retail customers.

Although the terms "closed-end fund" and "sustainability" are still generally associated chiefly with

renewable energy funds, the focus of the investments has widened considerably in recent times. For instance, the real estate funds offered in 2010 also had to meet review criteria such as sustainable construction methods and existing environmental certificates.

Microfinance

In 2009, we examined various options for enabling our customers to invest in microfinance activities. Microfinance is a system by which very small loans are provided to the poor in developing countries who have no access to conventional bank loans. These microloans are extended by what are known as "microfinance banks."

Including the "Dexia Micro Credit" fund in the BW Portfolio and Zielfonds funds has allowed our customers to indirectly invest in this asset class. Moreover, we now also offer the "Dual Return Fund - Vision Microfinance" to institutional clients.

Sustainable Investment Products at a Glance

EUR million	June 30, 2010
LBBW Asset Management Investmentgesellschaft mbH	
Funds	
■ LBBW Nachhaltigkeit Aktien	23.0
■ LBBW Nachhaltigkeit Renten	45.0
■ LBBW Global Warming Strategie BWI	38.7
■ LBBW AM: Spezialfonds Nachhaltigkeit	148.3
The total equals a share of approximately 1.5% of the total assets under management (AuM) of LBBW Asset Management Investmentgesellschaft mbH.	255.0
BWEquity GmbH	
Closed-end renewable energy funds	
■ Total investment	280.0
■ Capital contributed (2001 to June 30, 2010)	84.0
■ Borrowed capital	196.0
Period: Jan. 1, 2001 to June 30, 2010	
LBBW Certificates	
■ Equity-linked bonds and discount certificates (solar power companies)	3.21
■ LBW 74P Sustainability Sector Certificate/Strategy Certificate	0.05
■ LBW 3AC Solar Energy Sector Certificate/Strategy Certificate	0.90
■ LBO AF5 Sustainability Sector Capital Protection Certificate	3.65
Total invested	7.81
Asset Management	
■ Assets managed under sustainability-oriented criteria according to oekom research AG	24.0**
Third-party funds	
■ Swisscanto Green Invest	9.9
■ Vision Microfinance	0.5

*AuM = Assets under Management.

**corresponds to 0.74% of the total assets under management (AuM) of our asset management unit

Capital Market Activities

LBBW's equity analysis expertise is respected across Europe, and LBBW possesses a very good competitive position in the high-growth renewable energy segment. Our comprehensive sector report published annually is known as one of the most sound analyses in the industry. The most recent report of this kind was presented by LBBW analysts at the 6th LBBW Renewable Energy Conference in Zurich, Switzerland, which brought together around 90 institutional investors with 16 managers of companies in the renewable energy sector. For the first time, this year's list of presenters, which was top-notch as always, included representatives from Asian manufacturers, such as Trina Solar and Solar Millennium. Baden-Württemberg's environment minister Tanja Gönner outlined the new Erneuerbare-Energien-Gesetz (German Renewable Energy Act), an amended law that she helped draft. The thrust of the event was that although the competitive situation is becoming increasingly difficult for German manufacturers, the economic viability of renewable energies is improving continually. And the market for renewable energies is also continuing to grow.

In addition to directly financing projects, we also support renewable energy companies in obtaining capital from the stock market. In recent years, LBBW has assisted with the initial public offerings of two companies in the photovoltaic sector, SMA Technology AG and 3S Industries AG. Moreover, we helped several key suppliers to the solar energy industry (Roth & Rau, Meyer Burger, Manz Automation, and Centrotherm) go public and, in some cases, subsequently also assisted with capital increases. In 2009, no initial public offerings were conducted due to the crisis affecting the capital markets. On the whole, the market environment for IPOs has generally brightened in 2010.

Foundation Management

When people use their capital for the good of society or the environment, they deserve the best possible

assistance. And that is what we provide. Our foundation management unit is ranked by business information service "Fuchsbriefer" as one of the five best partners for donors and foundations in Germany. In a study conducted by Berlin-based Wirtschafts- und Finanzverlag in conjunction with the Institut für Qualitätssicherung und Prüfung von Finanzdienstleistungen (IQF – Financial Services Quality Assurance and Audit Institute) and Deutsche Börse Market Data, BW Bank stood out due to its expert advisory services as well as the structure of its foundation portfolio. In July 2009, the editorial staff of Handelsblatt, a German business and financial newspaper, and the industry publication Elite-Report honored our foundation managers for their particularly skilled advising on foundation concepts and management of foundation assets.

In total, we currently advise more than 600 foundations with total assets of approximately EUR 3 billion. Our publication, which is called "Stiftungsmanagement – Impulse für Stiftungen" ("Foundation Management – Inspiration for Foundations"), is issued semi-annually and has a circulation of 5,000. The magazine provides donors (and those who wish to become donors) with new ideas and projects, as well as valuable foundation and tax law information. Moreover, we set up a foundation portal on the Internet in 2008 which currently features around 130 foundations. We are the main sponsor of Deutscher Stiftungstag (Foundation Day) in 2011, which will be held from May 11 to 13, 2011 in Stuttgart.

Financing

In early 2008, we added sustainability issues to the Corporate Code for the lending business, and, in March 2009, LBBW's Board of Managing Directors also approved the "Guidelines for Sustainability", which are corresponding standards for granting credit. Various measures were implemented in operations during the course of 2010.

One major component of our business field strategy is providing advisory services to small- to medium-sized

companies in the German states of Baden-Württemberg, Rhineland-Palatinate, Saxony, and adjacent economic areas. We provide services to key accounts in Germany, as well as in Austria and Switzerland. Our financing business outside of Germany is limited mainly to the European Union and the United States, along with Germany's key export partners, where we support our customers by offering a broad range of financing structures.

When providing project financing in environmentally relevant fields, we obtain expert opinions on environmental issues as a rule. Moreover, we extend loans with environmental conditions attached, if necessary – for example, a contractual obligation to dismantle equipment or the obligation to obtain insurance against environmental risks.

Promotion of Renewable Energies

In 2009, we further expanded our project financing portfolio in the renewable energy sector. Today, this financing covers the entire process chain from small- and medium-sized component manufacturers to financing for solar and wind farms across Europe. The multitude of financing requests that we receive on a continual basis underscores our excellent reputation in the renewable energy industry. As part of LBBW's restructuring process, however, our current focus is on providing financing abroad to projects involving an existing relationship with a customer. Our goal set before the financial crisis began was to double project financing to EUR 4 billion by the end of 2010. Due to the change in circumstances, we will not be able to reach this target. However, continually building our portfolio continues to be on our agenda going forward.

Despite the restrictions as a result of the financial crisis, the level of new LBBW-structured financing was maintained at approximately EUR 835 million in 2009, slightly over the prior-year figure. We concentrated less on large-scale projects than on projects requiring a more modest amount of borrowed capital (EUR 20

to 100 million). In geographical terms, the main focus of financing actually placed shifted from Spain to Italy and France.

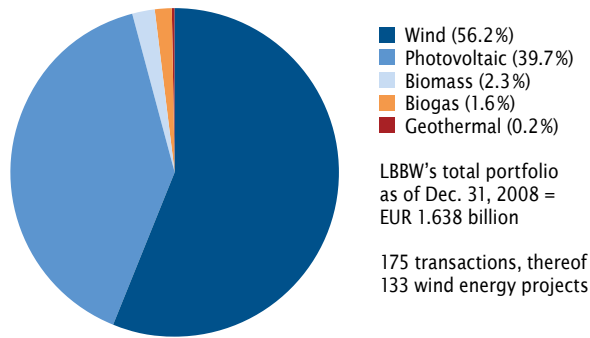
Due to the move in domestic markets toward smaller solar and wind farms, LBBW is also developing standardized financing packages to cover our customers' requirements for structured financing solutions in this smaller segment. Thanks to a standardized consulting and assessment process, we can also provide financing for comparatively small photovoltaic systems up to EUR 10 million. These packages are based on customer creditworthiness, and the photovoltaic system is furnished as collateral. We offer a similar product tailored to small systems for retail customers.

When advising any corporate customer, we review the availability and possibility of obtaining public-sector grant resources. We also specifically point out the option of public-sector grants to our retail customers. One focus is on the grant programs offered by the Kreditanstalt für Wiederaufbau (German Reconstruction Loan Corporation), including the CO₂ Building Rehabilitation Programme, the Housing Modernisation Programme, the Ecological Construction Programme, and the Solar Power Generation Programme.

Another special service we offer our retail customers is brokering energy advising services in cooperation with Deutsches Energieberater-Netzwerk e.V. (DEN), a skilled partner for all services relating to the optimization of energy efficiency in properties.

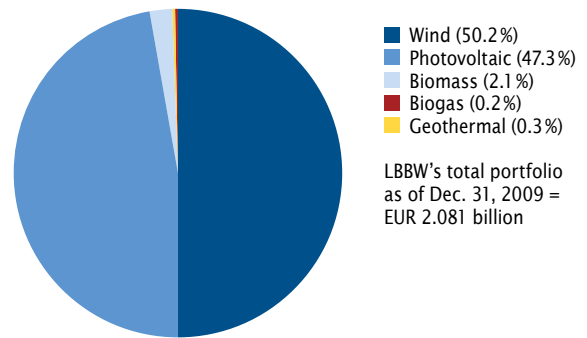
We are also currently testing a new service in two front-office units. Through BW Bank, retail customers can order thermographic scans of their buildings at an attractive special price. The resulting thermal image is handed over to the customer personally at the branch and serves as the foundation for a subsequent discussion of building remediation for purposes of energy efficiency and modernization credits.

Breakdown of Renewable Energy Project Financing Portfolio by Sector 2008



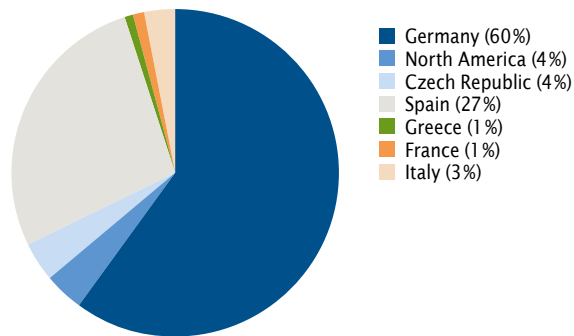
(Portfolio, including ex-SachsenLB and ex-LRP, as of Dec. 31, 2008)

Breakdown of Renewable Energy Project Financing Portfolio by Sector 2009



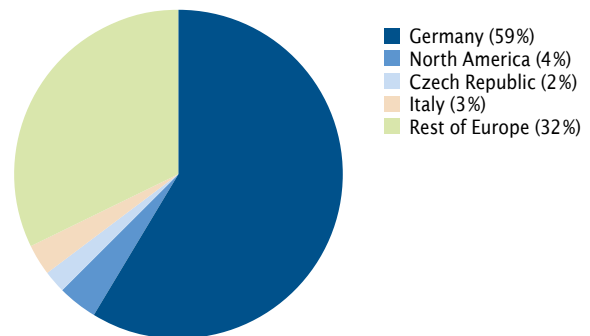
(Portfolio, including ex-SachsenLB and ex-LRP, as of Dec. 31, 2009)

Breakdown of Renewable Energy Project Financing Portfolio by Country 2008



(Portfolio including ex-SachsenLB and ex-LRP, as of Dec. 31, 2008)

Breakdown of Renewable Energy Project Financing Portfolio by Country 2009



(Portfolio including ex-SachsenLB and ex-LRP, as of Dec. 31, 2009)

Quality Management

There are two ways to look at weaknesses and mistakes: As annoying lapses to be avoided under any circumstances or as helpful indications of where a company and its products, services, and workflows could be improved. We have elected to take the second path and opted for a culture that handles mistakes openly, verifiably, and constructively.

Our quality management systems are an effective tool for systematically translating mistakes into opportunities and improvements. Our quality managers consistently analyze our performance from our customers' perspective. Their key indicators are the customer complaints and claims we receive as well as customer feedback from opinion cards we provide at our branches.

This information is combined with the results of market research performed regularly, checks of advising quality by test customers, and observation of major competitors.

We operate according to fixed, ambitious standards when managing losses or complaints resulting, for example, from incorrect documentation or settlement of customer orders. All complaints must be answered within two business days by phone or within four days in writing. In addition, particularly customer-relevant business processes, such as payments, ATM operation, or online banking, are regularly monitored.

The quality of our advising process has been reviewed and optimized since summer 2007 by an internal quality circle. This involves quality management, the LBBW improvement process, employees responsible

for target groups, and Retail Customers/Private Banking sales managers working hand-in-hand to utilize customer feedback and suggestions for improvement by employees to further optimize our advising processes. Moreover, our advising processes are certified by TÜV SÜD (Technical Monitoring Association).

We supplement our expectations of high quality in our advising processes with excellent service. Since January 2009, Sales Retail Customers/Private Banking has worked intensively to further improve our service quality. First of all, based on a common understanding of service quality, guidelines for action and checklists in the branches and private banking centers were used in a number of workshops to define decentralized measures and initiate steps toward improvement. Quality Management additionally coordinates a series of supplementary activities, such as the integration of back-office units to boost service quality along the entire internal process chain involving customer advising and customer service. Ultimately, service quality can only be improved appreciably when we work toward this goal regularly, comprehensively, and throughout the entire Bank. For this reason, LBBW's service initiative will continue in 2010.

Customer Satisfaction

More than one million retail customers and over 27,000 corporate clients trust us with their business. We aim to validate this trust by continually reviewing and improving ourselves and our services.

Our retail customers are surveyed yearly by an independent market research firm. In 2009, despite the measures implemented to date, the financial market crisis also had a slightly negative effect on customer satisfaction with our services and advisors. Nonetheless, 73% of customers are very or completely satisfied with their personal advisors, while 69% gave the same answer about the services provided by their branches.

The annual repetition of the survey reveals not only long-term trends, but also makes the success of various measures and changes measurable. For example, we were able to prove that the consistent use of advising tools (financial check, concept, and strategy) lead demonstrably to greater satisfaction, more frequent referrals, and loss of fewer customers.

Particularly successful measures by individual front-office units were presented to the entire sales team as “best practice” examples and published on the LBBW Intranet.

Continual Commitment to Quality

In addition to customer satisfaction surveys, BW Bank regularly conducts the banking equivalent of “mystery shopping” at its branches. This procedure is used primarily to test the quality of the advice and service provided. The results obtained by the mystery shoppers are systematically analyzed and discussed in workshops, and implemented in initiatives aimed at improving LBBW’s services and advice.

The satisfaction of corporate customers is determined across segments by way of phone surveys conducted

regularly. In our most recent survey in 2007, our customers expressed a high level of satisfaction. Over 80% of all corporate customers stated that they were “completely satisfied/very satisfied.” With regard to their personal advisors, nearly 90% of customers gave this answer.

In order to maintain our high quality of advising, we continually invest in the professional expertise of our employees. The seven-month “Financial Consultant” course at the Frankfurt School of Finance is mandatory for the approximately 400 investment advisors at BW Bank. Many of our investment advisors even hold additional qualifications as “Financial Planners” or “Certified Financial Planners.”

TÜV Certification

In 2008, BW Bank was the first bank to arrange for TÜV SÜD (Technical Monitoring Association) to independently assess how our advising strategy and employee qualifications translate to high-quality advisory services. The TÜV SÜD experts evaluated our advising strategy and system and their effectiveness in advising customers. Key criteria in this process included professionalism, completeness, and comprehensibility of the advice given, the ability of BW Bank employees to empathize with the customer, the identification of possible solutions and product recommendations tailored to these solutions, as well as transparency in fees and costs. The experts analyzed compliance with the TÜV SÜD list of criteria for the first time from May to July 2008 by conducting branch-specific audits lasting several days, analyzing documents, conducting a customer survey, and performing several test advising sessions. In July 2009, the quality of our advisory services was analyzed for the second time by TÜV SÜD auditors and confirmed with the TÜV seal. Sachsen Bank also had its advising quality certified by TÜV SÜD.

Stiftung Warentest Test Series

Standing in stark contrast to the results of the TÜV audit (and the approximately 400 test advising sessions we conduct yearly for quality assurance purposes) was a series of tests conducted by Stiftung Warentest, a German consumer testing organization, that tested and ranked 21 banks on their investment advising services. In this test, which was published in December 2009, BW Bank took last place.

This result was as surprising to us as it was unsatisfactory. However, the result is explained largely by the testing criteria defined by Stiftung Warentest. The organization placed products and individual investment recommendations at the forefront. All-around advising was assigned merely a subordinate role. BW Bank, for example, follows an all-around advising approach, which emphasizes comprehensive research into the customer's status and investment preferences and goals. In testing categories such as "flow of the conversation" and "determination of customer status", BW Bank therefore performed very well. The overall unsatisfactory result is explained by the structure of the test.

Private Banking Prüfinstanz Test Series

A completely different result was obtained by "Private Banking Prüfinstanz", a consortium of financial publishing house "Fuchsbriefe", Institut für Qualitäts-

sicherung und Prüfung von Finanzdienstleistungen GmbH (IQF), and ranking institute firstfive AG. According to analyses by their anonymous mystery shoppers, BW Bank is among the best asset managers in the German-speaking world. BW Bank's asset management services ranked fourth overall out of 117 contenders and second in a comparison of German banks. The auditors summarized it best: "Personal, professional, and sound advice – BW Bank delivers what it promises."

Sachsen Bank also received a very good assessment in a customer satisfaction study conducted in November 2009. Nearly 80% of its customers are very satisfied on the whole with Sachsen Bank. For instance, 91% of all customers were very satisfied with the services provided by their Sachsen Bank branch, while only 1% see room for improvement.

Employees

Diverse, intelligent, flexible.

We continue to develop our most important resource – especially in difficult times.

The aftereffects of the financial market crisis severely impacted our company and its workforce. In line with the restructuring concept approved by the European Union, we must save EUR 700 million per year and cut around 2,500 jobs by 2013. We strive to attain this aim on a voluntary basis as far as possible – i. e. without termination of employment for operational reasons.

The collective bargaining agreement on workplace and job security concluded between LBBW and the ver.di labor union describes the details of this matter. The measures envisaged range from job-securing initiatives such as flexible deployment of staff and shortened working hours up to and including separation agreements concluded by mutual consent. We make proposals to our employees to enhance their professional skills, to retire early or to engage in pre-retirement part-time work. In addition, it has been agreed that no employee will be made redundant for operational reasons before September 30, 2011. If and to the extent to which at least 90% of the personnel reduction targets expected per year can be attained on a voluntary basis, termination of employment for operational reasons is ruled out until the next review date (final review date: June 30, 2014).

In spite of the inevitable workforce reductions, we continue to deal with issues of employee development. To what extent is the design of our workplaces health-friendly? How much of a chance do good ideas have to take root in the company? Is it possible to balance work and family, private life and career? Are talents and skills developed systematically? In other words, how does the company support its most important resource – its employees?

Questions like these can be a deciding factor for the financial success of a company such as LBBW. In this regard, our commitment to our employees is not a social end in itself, but instead is a strategic investment, especially in difficult times.

Seeking Social Angels!

BECOMING ACTIVE - CHANGING

Social Angels Foundation event at LBBW in November 2009



Each year around 100 of LBBW's employees retire. Each of them possesses precious skills, experience, capacity, and contacts that can still be used in a most beneficial manner - e. g. for charities that are in need of volunteer support.

To bring the two parties together, LBBW and the “Social Angel-Stiftung” (Social Angel Foundation) organized an event entitled “Aktivsein verändert” (Becoming Active – Changing) in November 2009. Those invited primarily consisted of LBBW’s older employees approaching retirement age and their counterparts working for our corporate customers. The event was attended by 230 interested people who informed themselves about the work of the initiatives during panel discussions, short lectures, and information booths – with great enthusiasm!

The number of employees of the LBBW Group rose from 13,369 on December 31, 2008 to 13,630 on December 31, 2009 (up by 1.95%). The increase of 261 employees is primarily due to the integration of subsidiaries in the LBBW Immobilien GmbH sub-group (+ 227 employees) in addition to slight workforce growth at subsidiaries (+ 21 employees). At LBBW Bank itself, which encompasses the LBBW, BW-Bank, Rheinland-Pfalz Bank, and Sachsen Bank brands, the number of employees almost remained at the previous year’s level.

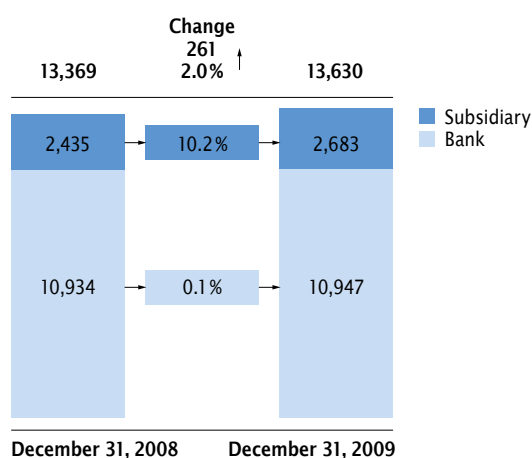
On June 30, 2010, the LBBW Group counted 13,381 employees. This shows that LBBW is well on its way regarding the requirement to cut jobs in a socially acceptable manner and has already reduced its workforce by around 250 in the first half of 2010 in compliance with the agreed soft measures.

At Group level, the ratio of part-time employees, including pre-retirement part-time employees, rose to 19.7% in 2009, up from 18.7% in 2008, while it increased from 20.1% to 21.3% within the Bank (thereof 91% women and 9% men).

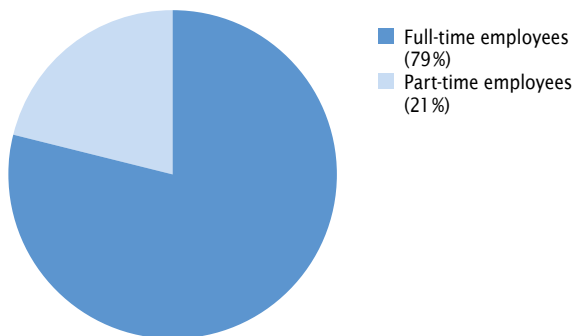
Please note: The following charts refer to LBBW Bank, incl. BW Bank, Rheinland-Pfalz Bank, and Sachsen Bank, i.e., to a total number of 10,947 employees as of December 31, 2009.

Personnel Figures

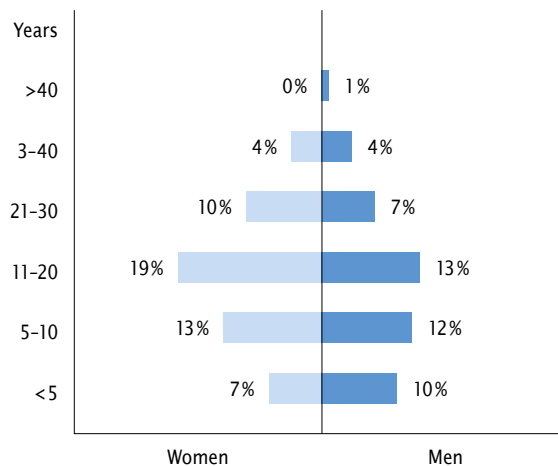
Number of Employees – Group (according to IFRS)



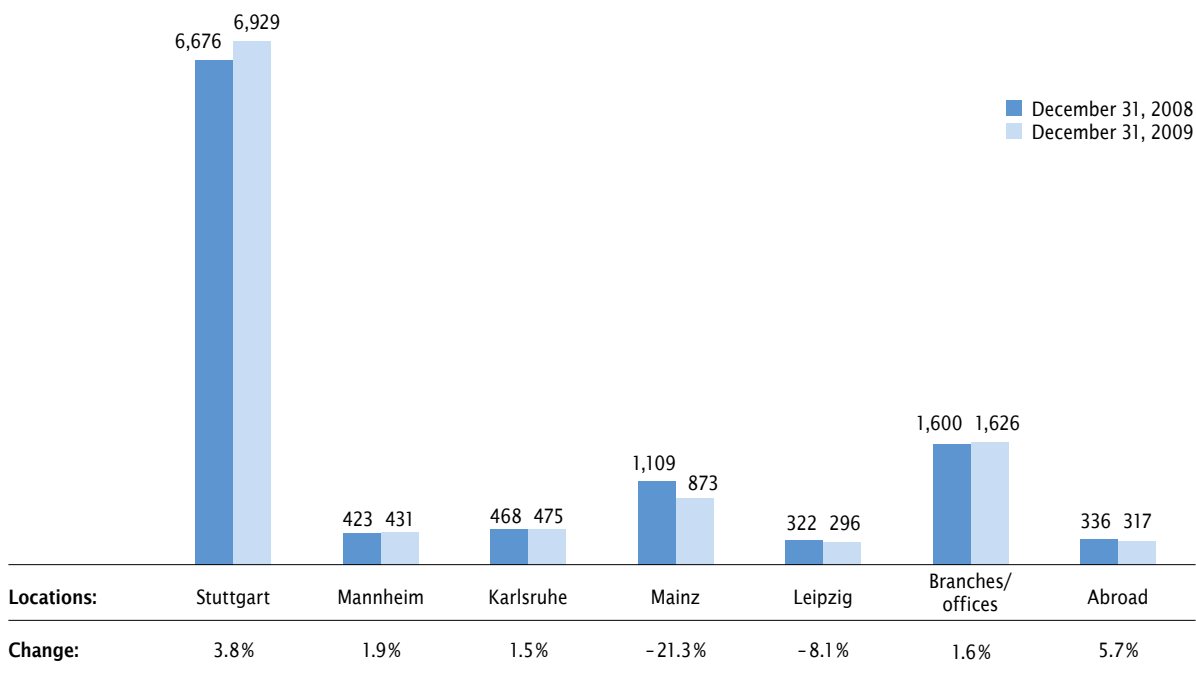
**Employees by Type of Employment - Bank
(December 31, 2009)**

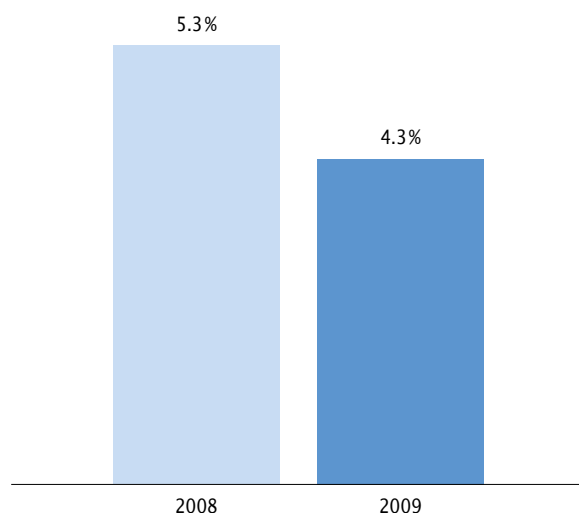


**Length of Service - Bank
(December 31, 2009)**



Employees by Location - Bank



Turnover Rate

The turnover rate in the Bank was 4.3% in 2009 (previous year: 5.3%).

The average age of the Group's employees was 40.94 years at the end of 2009 (previous year: 39.25 years).

The number of internal job postings decreased to around 770, down from 1,300 in the previous year.

Please refer to the data section to find further annual comparisons of personnel figures.

Health and Occupational Safety

Health and occupational safety at LBBW is governed by a number of statutory regulations. However, we do much more than the minimum required by law in order to offer our employees a safe, pleasant, and productive work environment.

Occupational Safety

For example, occupational safety experts and occupational physicians are involved in the early stages in

many workplace-related decisions, for example, the purchasing of furniture and IT equipment, new construction and renovations, and the development of building standards. Workplace walk-throughs allow for in-person viewing of conditions on site and, if necessary, investigation of possible improvements. As part of in-house health promotion activities, numerous safety-related audits were carried out last year when the need arose or as scheduled – notably walk-throughs and hazard assessments – and individual consulting on workplace ergonomics was provided.

In its function as an advisory and coordination body, our occupational safety committee, which meets quarterly and represents LBBW's entire workforce, deals with all key occupational health and safety issues. Last year, this board discussed issues such as the development of new standards for renting commercial space in headquarters buildings, sick building symptoms in one headquarters building, and the handling of psychological stress.

In 2009, seven workplace accidents (previous year: nine) and 32 accidents during commutes (previous year: 28) were registered, which corresponded to an accident rate of 0.36%. No incidents of missed work due to work-related illness were reported to us in 2009. The ratio of employees absent due to illness with a doctor's certificate was 3% (previous year: 2.7%).

Health Promotion at LBBW

The occupational health service helps our employees stay healthy. The services of physicians at LBBW's locations in Stuttgart, Mainz, Mannheim, Karlsruhe, and Leipzig as well as of occupational nurses in Stuttgart are available to every employee. Last year, the number of employee consultations and/or treatments provided by our occupational health service added up to about 10,000. This means that on average almost every employee turned to the occupational health service during the year.

Besides numerous additional health-promoting activities, special event days with the theme of “Focus on Your Workplace” were organized at the Mainz, Mannheim, Karlsruhe, and Leipzig sites. All employees in Stuttgart had the opportunity to familiarize themselves with services offered in the area of work-life balance, exercise, and mental health during a “Health Day” in February 2010. Furthermore, they had the opportunity to get screened for their personal risk of developing cardiovascular diseases.

As part of a project on corporate health management that was started in cooperation with a major health insurance company in 2009, we are reviewing measures to enhance control of health-relevant factors and health promotion. At present, our “Corporate Health Management” management cycle is being fully implemented in pilot divisions.

Social Services Department

Established in 1999, the LBBW social services department provides advice on psychosocial problems such as stress or addiction. The unit also provides psychological “first aid” to employees experiencing acute crises and traumatic events. In the current phase of personnel reductions, the LBBW social services unit provides intensive support, e.g. by counseling affected employees and executives on possible psychosocial reactions and by offering corresponding training measures. Demand for the department’s counseling services is growing further.

Employees of the social services unit participate along with occupational physicians in the reintegration of employees who wish to return to work after a long illness as part of our work integration management efforts.

Moreover, the social services department organizes “round tables” in the event of conflicts at work and provides training to managers on psychosocial issues,

such as the early identification of psychological problems and handling crisis situations.

LBBW also has a works agreement (Dienstvereinbarung) on “Addiction” for dealing with at-risk and addicted employees that stipulates assistance to be provided in addition to preventive measures.

Catering

The six company cafeterias operated by our subsidiary GastroEvent offer our employees varied and healthy nutritional choices. Under the motto “Lean and fit for spring”, the Stuttgart cafeterias offered a series of set menus in March 2010 that were low in fat and rich in vitamins, fiber, and minerals. The cafeterias at the “Am Hauptbahnhof” and “Pariser Platz” locations in Stuttgart even hold organic certification and regularly offer meals that include certified organic ingredients.

In September 2009, a survey was conducted among cafeteria guests to gauge their satisfaction with the meals on offer, the service, and the facility itself. The survey revealed that overall, the employees gave the company cafeterias good quality ratings. Light, low-fat meals were clearly found to be top of the list when it came to expressing a preference for certain types of meals.

Personnel Development

For LBBW, the term “personnel development” has not one, but two clear meanings. On the one hand, we help our employees to continue to develop themselves and their skills throughout their careers. On the other hand, we strive to get into contact with the most qualified future employees early-on through focused apprentice marketing (e.g. by way of booths at trade fairs and job or career fairs, and through information events and student internships).

Training

Even though we are no longer in a position to offer all of our apprentices permanent employment due to our workforce reduction constraints, we remain committed to our responsibility as a company that trains apprentices. At present, LBBW is training 628 young people. In 2009, the training rate was 5.7%, analogous to the rate attained in the previous year. In compliance with the collective bargaining agreement on workplace and job security signed by LBBW and the ver.di labor union, we will offer at least 200 apprenticeships per year in the future. We will offer apprenticeships to severely disabled people in compliance with the mandatory ratio stipulated by law. Upon completion of their apprenticeships, 50% of the apprentices will be offered permanent employment, while the other 50% will have the option to be taken on under a non-permanent contract. In addition, LBBW will provide at least 40 places for students of Baden-Wuerttemberg Cooperative State University (Duale Hochschule) per year. Upon completion of their studies, 33% of the graduates will be offered permanent employment. On the basis of their individual performance potential, the remaining graduates will be offered non-permanent employment limited to no less than 12 months.

Further information on this topic is available in our 2009 Annual Report (About us » Annual Reports » Group Management Report, "Employees" section).

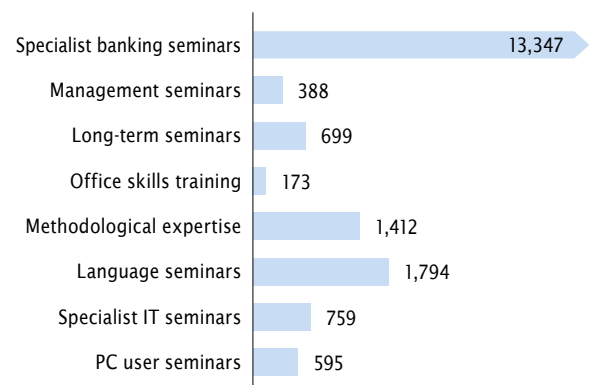
Sustainability issues are an integral part of any training at LBBW. As early as their orientation week, new apprentices are introduced to our Corporate Sustainability department. While future banking specialists and students of Baden-Wuerttemberg Cooperative State University (Duale Hochschule) are also familiarized with sustainable investment products in specialist seminars, future office communication specialists deal with sustainability aspects in everyday office life at practical sessions lasting one to two days. Project

teams composed of two to four trainees with a banking or IT specialization each visit one of the four units of the Corporate Sustainability department (occupational health service, social services unit, occupational safety unit, and sustainability unit) and subsequently give presentations on the units to their co-trainees.

Since 2009, social and ecological criteria have also been taken into account when assessing investment strategies in our "Stock Exchange Simulation Game", a standard element of the second year of training for LBBW apprentices. Teams that have generated value growth of their investments through sustainable means are awarded a sustainability prize.

In cooperation with "Mehrwert", a social service agency, our apprentices can work in a social service facility for a week as part of their training, and thereby learn firsthand about the daily life of people who are elderly, disabled, or ill. Along with organized introductory and follow-up sessions, this time is a valuable, personally enriching experience for many of our trainees. Last year, 63 apprentices made use of the opportunity to broaden their social horizons this way.

Skill and Executive Development (LBBW Group)*



* not including sub-group

Joining LBBW as a “real” employee kicks off a process of continued learning. In this respect, our employees may choose from a broad range of seminars. In addition to bank-specific issues such as “retail and investment customers” and “finance, operations, and IT”, we train our employees in methodological and social skills, banking topics for non-banking specialists, and PC skills. A special program on management skills is aimed at our executives. In 2009, 229 workshops were conducted for executives. In addition, many executives made use of coaching services offered by the Group’s own management consulting staff.

Targeted support for our top talent is provided by our “Career Development for High-Potential Executives” program. A process for identifying and reviewing potential was developed and implemented in 2009 that specifically addresses executive functions with an international orientation. In addition to classic leadership skills, this process also takes into account cross-cultural sensitivity as well as the communication and networking talents of our high-potential executives.

As in the two preceding years, the executive seminar “Management and Health – Sustainable Use of Our Resources and Third-party Resources” was once again offered in 2010. This seminar provides executives with practical suggestions designed to strengthen their own physical and mental resources and develop a management style suitable for promoting employee health. The seminar has been repeated twice in 2010 due to high demand.

The specific training requirements of our employees are identified in personal discussions between the employee concerned and his or her supervisor. The objective here is to have conducted at least one such discussion with each employee within three years in each case. In 2009, 85% of LBBW Bank’s workforce participated in reviews held at regular 3-year intervals.

Our Personnel Development team helps our employees decide on which third-party continuing education or seminar program is the most appropriate for them. An overview of current seminars offered that can be attended during working hours is available on LBBW’s Intranet.

The Intranet also provides information on opportunities for volunteering outside of working hours. We believe that volunteering contributes materially to the development of social competence and therefore inform our employees about the work of charitable organizations such as Caritas or Senior Expert Service.

Equal Opportunity and Diversity

Companies that want to benefit from the knowledge and skills of their employees must give them support and opportunities – regardless of gender, age, level of employment, personal life situation, and other criteria.

As a result, we were the first Landesbank to align itself with the “Diversity as Opportunity – German Corporate Diversity Charter” initiative in 2008. www.charta-der.Vielfalt.de. The signatories commit to guaranteeing an unprejudiced working environment for all employees regardless of gender, origin, race, disability, age, sexual orientation, or world view.

A corresponding “Works Agreement on a Cooperative Environment in the Workplace” had already been adopted by LBBW in late 2007. Simultaneously, an e-learning tool was introduced to implement the Allgemeines Gleichbehandlungsgesetz (AGG – General Anti-Discrimination Act) that is mandatory for all employees.

Another expression of our commitment to supporting an open corporate culture is our Guidelines for Sustainability. A diversity representative has dealt with

the issues of diversity and equal opportunity since the beginning of 2009. One of her tasks is to draw up an implementation concept and to devise concrete measures. In order to implement the diversity charter, an ongoing process was established in the course of 2009 that ensures that all relevant human resources policy measures take diversity aspects (e. g. age, marital status, gender, disability) into account. One concrete measure to support diversity issues was our participation in the “berufundfamilie” audit organized by the non-profit Hertie Foundation.

No inquiries regarding incidents of discrimination were received by the HR division in 2009. Therefore, there was no need to convene the complaints board pursuant to the German General Anti-Discrimination Act (AGG).

Cultural Diversity

As a financial institution working across industries and cultures, LBBW benefits from the diverse interests, biographies, skills, and cultural orientation of its workforce. Currently, people from around 70 countries across the globe work at LBBW. This diversity is extremely valuable for the company and helps us to establish and maintain contacts throughout the world.

Women and Men

At LBBW, all employees with equivalent qualifications have the same training and promotion opportunities and are granted the same company benefits – irrespective of gender, age or level of employment. This approach also embodies our aim to continually improve career opportunities for women and increase their numbers in specialist and executive staff positions. At the end of 2009, women accounted for 51 % of our workforce. At LBBW Bank, they accounted for 5.2% of the top three management levels (previous year: 4%).

Level	No. of men As of Dec. 31, 2009	No. of women As of Dec. 31, 2009
Level 1: Members of the Board of Managing Directors	7 (100%)	0 (0%)
Level 2: Brand board members + heads of division	49 (96%)	2 (4%)
Level 3: Department heads	217 (94%)	13 (6%)
Level 4: Group leaders	746 (80%)	183 (20%)

(LBBW Bank encompasses the LBBW brands BW Bank, Rheinland-Pfalz Bank, and Sachsen Bank; in accordance with the Kreditwesengesetz (KWG – German Banking Act), only members of LBBW's own Board of Managing Directors are members of the LBBW Board of Managing Directors; the number of brand board members of BW Bank, Rheinland-Pfalz Bank, and Sachsen Bank is included in the figure for Level 2.)

The Board of Managing Directors adopted a catalog of measures aimed at helping improve equal opportunity at LBBW as early as 2003. One of the measures was initiating a women’s network. The network consists of approx. 100 female employees in the following four working groups

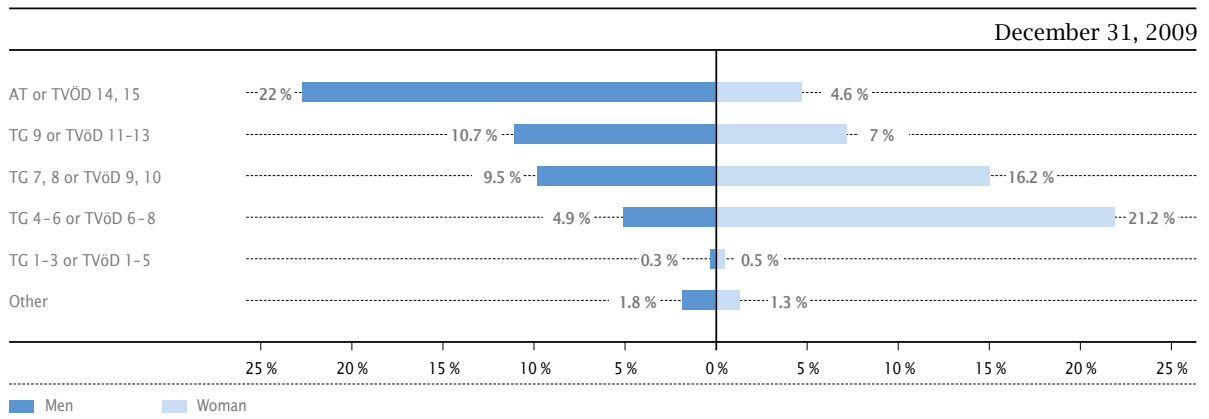
- Office assistants
- Young female employees
- Part-time
- Career

that pursue the following objectives:

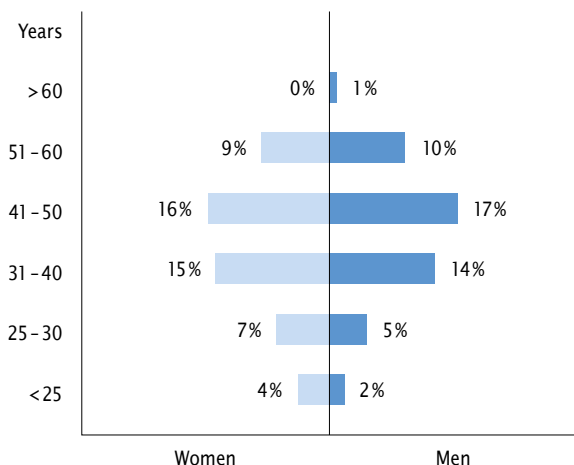
- making the benefits of women working in the company visible,
- strengthening awareness of personal responsibility,
- identifying role models,
- exchanging information and experience,
- motivating other women,
- participating in defining the general working environment,
- raising awareness among executives,
- supporting women during training and continuing education.

Remuneration Structure

Female employees at LBBW Bank receive the same compensation as their male colleagues for the same job, function, and position of equal importance. However, women are significantly underrepresented in executive positions at LBBW. This means that male employees are noticeably overrepresented in the upper compensation levels.



Age Structure and Seniority



In 2009, the average age of female LBBW Bank employees was 38.28 years, while that of their male counterparts was 40.41 years.

Representative Body for the Severely Disabled

At the end of 2009, LBBW Bank employed 476 (previous year: 480) persons who held severely disabled or equivalent status. This translates to a ratio of 3.87% (previous year: 3.6%), which is almost at the same level as that of the private sector as a whole (3.63%). The current employment rate therefore falls short of the statutory quota for disabled employees of 5% of the total workforce; consequently, we are required to pay the corresponding compensatory contribution of well over EUR 137,000 prescribed by law.

Outside of LBBW, we promote employment opportunities for disabled persons by purchasing products such as dish cloths, yearbooks, notepads, and folders for statements of account from centers for the disabled or workshops for the blind.

LBBW employees who hold severely disabled status are advised and represented by the General Representative Body for the Severely Disabled (GSBV - Gesamtschwerbehindertenvertretung) and six regional representative bodies for the severely disabled.

LBBW Improvement Process ES

The LBBW Improvement Process allows employees to actively participate in shaping services and workflows by contributing their ideas. The process is simple and transparent and is received very well by our employees. The number of ideas submitted by employees has risen continuously for years. In the 2009 fiscal year, 3,322 suggestions were submitted, which was around 7% more than in the previous year. Thirty percent of the suggestions about which decisions were made in 2009 were accepted and implemented.

In 2009, 198 suggestions for improvement (which corresponds to 6% of all suggestions) clearly related to sustainability issues. As in the preceding years, these ideas mainly focused on the topic of conserving paper and energy. More than 40% of these suggestions were accepted, implemented, and awarded prizes. The success of the LBBW Improvement Process exceeds the industry average, which makes it the leading process in the financial services industry (source: Deutsches Institut für Betriebswirtschaft, dib).

Company Retirement Planning

What business could better support its employees in arranging financial planning for their golden years than a bank? We accomplish this goal through our “Kapitalkonten” pension plan model that LBBW employees can use to plan for retirement. This plan is composed of a base account (financed by us) to which each employee can add contributions voluntarily. When Sachsen Bank was integrated into LBBW, the employees of former Sachsen LB also received an initial building block in the defined contribution (Kapitalkonten) plan and, since January 2009, have continued to build their capital accounts just like all of the other employees at LBBW and the LBBW brands. In

2009, LBBW’s company retirement planning investments and expenses amounted to approximately EUR 141 million.

In addition, we have significantly expanded the meaning of “company retirement planning” to include the period before an employee’s actual retirement age. The idea here is that as career and life planning becomes more flexible, retirement planning must also become more flexible. The “LBBW FlexiWertkonto” offers our employees a model that they can use to bridge a possible period between their actual retirement from paid employment and the start of their statutory pension payments. Employees can also finance sabbaticals and leave (e.g. to care for family members) with the LBBW FlexiWertkonto.

Career and Family

Work takes up half of our lives, as they say, and our responsibility is to bring the one half into balance as much as possible with the other half. This starts with helping our employees choose their level of commitment as freely as possible depending on their life situation.

For example, numerous LBBW employees care for older and/or disabled members of their families. We support these employees by providing them with leave to care for loved ones in accordance with the new Pflegezeitgesetz (German Nursing Care Leave Act) and by offering additional company leave options. As a result, such employees may apply for special leave of up to 10 days per year in order to care for a family member. During this period the Bank continues to pay their salaries on a voluntary basis. Moreover, our contractual partner pme Familienservice is a trusted advisor, providing answers to questions about home-based care and eldercare.

We encourage our employees to commit to being active to maintain physical fitness outside of work as well. LBBW's sports and recreation club is currently used by more than 3,000 members, who enjoy numerous indoor and outdoor sporting options. In addition, they can also exercise at reduced rates in certain fitness studios.

“berufundfamilie” Audit

Since March 29, 2010, LBBW has officially been able to claim the title of “family-oriented company.” On this date, LBBW was awarded a certificate by the Hertie Foundation following successful completion of an audit process. The “berufundfamilie” audit is a strategic management tool that supports employers in establishing a viable, financially attractive balance between a company's goals and the interests of its employees.

In undergoing this audit, LBBW deliberately did not focus solely on the compatibility of career and family in the classic sense. Rather, the aim was to address all employees, regardless of gender, marital status, or age. During the audit, representatives from throughout the Bank, from the Staff Council, and from the Human Resources division analyzed the existing framework for improving the ability to combine career and private life and compared this with the corporate culture as practiced.

Despite all the changes resulting from our restructuring process, we aim to maintain and further enhance LBBW's positioning as a family-friendly, employee-oriented company. With the award of the certificate, our efforts in this field were officially recognized.

Telecommuting

In March 2007, a works agreement on “Telecommuting” entered into force at LBBW. This agreement defines not only personal and material requirements that need to be fulfilled for establishing telecommuting work-

stations at home, but also data protection requirements and corresponding regulations governing the recording of working time.

Childcare

In addition to the parental leave time guaranteed by law, young parents who were employed by LBBW for at least three years previously can take a leave of absence called a “family year.” In this situation, either the father or the mother can take unpaid leave not to exceed one year. In 2009, 83 parents took advantage of this option (previous year: 54).

During pregnancy and parental leave, we offer an extensive advisory and support program provided by a third-party service provider. LBBW pays the cost of the consulting and placement services offered by pme Familienservice, while the actual childcare expenses are paid by the parents.

This service is supplemented by “Frechdax”, the LBBW daycare center in Stuttgart, which is co-financed by LBBW. Since 2009, 35 children have been cared for by professionals in the daycare facility, where the children can eat, sleep, and wash up, as well as use an art studio, laboratory, and exercise room. The center also offers five drop-in spots which require advance reservation as well as emergency care.

By opening the “Kleine Raupe” (Little Caterpillar) daycare center in April 2009, LBBW has made it easier for our Mannheim employees to combine career and family as well. The centrally-located daycare center cares for four children of LBBW's employees together with children of parents working for other Mannheim firms; in addition, the center offers an emergency spot that parents can fall back on if their regular childcare provider is not available.

The parents' initiative “Mainzelmäuse e. V.” (Little Mainz Mice) at LBBW's Mainz offices is another service

specializing in emergencies. Mainzelmäuse takes care of children whose regular childcare provider is not available or whose parents cannot care for them for a short period due to unforeseeable work appointments.

“Family-School-Work” Seminar

Families with school-age children are very familiar with the challenge of combining school, family, and work on an ongoing basis. Often this is exhausting, at times even impossible. In March 2010, LBBW offered its employees and their children from the 3rd grade up a “Family – School – Work” seminar at the Stuttgart location. Working with parents and children in separate groups, the seminar identified the ways in which less school stress makes it easier to better combine family and work and/or school. Twenty-five employees and their children took part in this seminar.

Co-Determination

Baden-Württemberg’s Landespersonalvertretungsgesetz (State Employee Representation Act) forms the foundation for employee co-determination at LBBW. In contrast, the subsidiaries are subject to the Betriebsverfassungsgesetz (Labor-Management Relations Act). Due to LBBW’s membership of various employer associations, the LBBW Group is bound by the relevant collective bargaining agreements based on the Tarifvertragsgesetz (Collective Bargaining Agreements Act).

Currently, 90% of the LBBW Group’s employees are represented by the General Staff Council and several local Staff Councils or Works Councils in various locations in Germany. Executive staff (2%) and LBBW Group employees working in the branches and offices abroad (7%) are exempted from this rule. Individual small-scale LBBW subsidiaries do not have an employee representation board of their own (1%). Staff

meetings are held regularly at LBBW’s locations. Staff Councils and the ver.di labor union employee group use LBBW’s Intranet to disseminate current information and articles.

Review of the Remuneration System

In December 2009, LBBW signed a voluntary commitment to comply with the “Principles for Sound Compensation Practices” issued by the FSB (Financial Stability Board). Included is the commitment to design compensation systems in such a way that sustainability-oriented corporate goals are supported even more strongly. For this reason and due to the fact that the German Federal Financial Supervisory Authority (BaFin) adopted and announced new regulations governing the design of compensation systems in the financial sector, we reviewed our systems newly developed in recent years for the Retail Customers/Private Banking/Wealth Management and Corporate Customers segments for compatibility with the new guidelines and found them suitable. The remuneration committee established in 2009 constitutes a competent body that can advise the Board of Managing Directors on designing and enhancing our remuneration systems in the future. The committee is made up of upper-management representatives from various divisions under the leadership of the HR division and meets monthly.

Society

Local, regional, actively involved.
As a member of society, we are
fully committed to the public.

As a Landesbank, our calling is not just about business: we also have an important social mission. Part of this mission is to support our communities in their economic, regional-political, social, and cultural endeavors.

BW Bank functions as a savings bank for LBBW in the territory of the state capital of Stuttgart. Among other responsibilities, the savings banks are tasked with “strengthening competition in the territory in which they do business based on market and competitive requirements, and ensuring the suitable and sufficient provision of banking and lending services to all sections of the population, the business world (particularly small- and medium-sized companies) as well as the public sector” (source: Section 6 of the Baden-Württemberg Savings Bank Act).

In addition, the savings banks are also a main driver of the business field strategy of Landesbank Baden-Württemberg. In the independent savings bank business area, LBBW acts as a central bank to the savings banks in Baden-Württemberg, Rhineland-Palatinate, and Saxony.

Commitment to Society

We take our commitment seriously and fulfill it in many different ways. As a bank serving small- and medium-sized companies in Baden-Württemberg, we have traditionally supplied the engine of our region's economy with the funds it needs, a responsibility that we have also fulfilled in Rhineland-Palatinate, central Germany, and adjacent economic regions since the integration of Landesbank Rheinland-Pfalz and Landesbank Sachsen into LBBW.

Through BW Bank, LBBW provides people in financial crisis with access to banking services. An "account for everyone" on a prepaid basis can be opened with LBBW by anyone, regardless of income or negative entries on record with the Schutzgemeinschaft für allgemeine Kreditsicherung (Schufa - Protective Association for Sales Financing and Credit Security).

And our purchasing guidelines in turn promote companies with exemplary business practices: We prefer to do business with suppliers who share our high social and environmental standards. With our donations, sponsorships, and foundations, we support projects in the fields of art, culture, sports, and social service. However, in the course of our restructuring, we have had to significantly cut back on our donations and sponsorships.

LBBW Scholarship for an Extraordinary Filmmaker

SAARA AILA WAASNER
Producer



For eight years now, LBBW's "Kunst und Kultur" (Art and Culture) foundation has been supporting student work at the respected Baden-Württemberg Film Academy by providing scholarships. One of these students is young director Saara Aila Waasner. Her documentary film about a mentally ill woman was celebrated at festivals, broadcast by WDR, and honored with the most important German prize awarded to short films.

She suffers from obsessive counting, a mental illness that, among its other effects, makes her appear completely impassive for days. Her name is Susanne, she is 44, and she has been living in a foster family for more than 25 years.

The fact that many television viewers now know about Susanne's fate and feel that they have gained a sliver of insight into the world of the mentally ill is thanks to directing student Saara Aila Waasner. Four years ago, Waasner coincidentally learned of Susanne's story and made it the topic of a directing class assignment at the Film Academy in Ludwigsburg. For six weeks, she followed the woman and her foster family around with her camera. The result was a sensitive, 52-minute-long portrait of this extraordinary woman entitled "Die Gedanken sind frei", or "Thoughts Are Free." Production of the film was co-financed by LBBW's "Kunst und Kultur" (Art and Culture) foundation, which has supported up to five scholarship recipients from the feature film and documentary film departments of Baden-Württemberg Film Academy each year since 2002.

"We all worked for free and invested a lot of time and money into this film", remembers Waasner, "and for that reason, the grant from the LBBW foundation was an important source of financial support."

"Die Gedanken sind frei" was shown at several festivals and was honored with awards including the DEFA Foundation's sponsorship award, the Filmfestival Max Ophüls Prize, and the most important award given to short films: the Deutscher Kurzfilmpreis in Gold. "The film and its success have opened many doors for me", says the director. Among others, Westdeutsche Rundfunk became aware of her work, bought "Die Gedanken sind frei", and broadcast the film in the network's "Menschen hautnah" (People Up Close) series. Waasner's thesis project at the film academy was then co-produced by ZDF. The portrait of three older prostitutes entitled "Frauenzimmer" (Silver Girls) was shown in the series

"Perspektive Deutsches Kino" (Perspectives in German Cinema) at the 60th Berlinale, an unusual honor for a thesis project by a budding film director.

After receiving her diploma, the 29-year-old director is now working on her next documentary film, which is being co-produced by ZDF's "Das kleine Fernsehspiel." If everything continues this way, we will be hearing and seeing a lot from this former LBBW foundation scholarship recipient. "When I walk through the streets", says the documentary filmmaker, "I notice so many people about whom I would be interested to find out more and then tell their stories."

Donations

As a donor, we primarily support social service projects and community facilities in our business territory. However, due to the conditions of our restructuring plan stipulated by the EU, which require us to reduce costs significantly in all areas, we have had to cut back substantially on our philanthropic activities.

Sponsorships

In addition to our foundations and donations, we also sponsor outstanding projects and cultural institutions in Baden-Württemberg as well as the business territories of Rheinland-Pfalz Bank and Sachsen Bank. Over the past ten years, we have again and again made possible internationally acclaimed special exhibitions at Staatsgalerie Stuttgart. An active art collection partnership and multi-year collaboration have linked us with the ZKM Museum of Contemporary Art in Karlsruhe. In 2010, we participated in the "just what is it..." anniversary exhibition at ZKM. In addition to musical institutions, such as Stuttgart Opera House and Nationaltheater Mannheim, we also sponsor sporting events including the renowned Stuttgart German

Masters equestrian competition. For several years now, we have also been a premium partner to our local Bundesliga soccer team, VfB Stuttgart. Sachsen Bank's Art Prize has been awarded to young artists from central Germany every two years since 2002. The prizewinner receives an exhibition at the Museum of Fine Arts in Leipzig. The winner of the 2010 Art Prize is Leipzig art group Famed.

Foundations

LBBW's three foundations have provided grants totaling approximately EUR 21.3 million in support of around 7,770 projects since their establishment 26 years ago. LBBW's foundation activities aim to have as broad an effect as possible, to promote young people, and to provide help to a continual stream of new initiatives. In the past year, LBBW foundations supported 448 cultural, environmental, and social projects in Baden-Württemberg by contributing a total of EUR 690,000. For instance, the "Kunst und Kultur" (Art and Culture) foundation sponsored the "meersburger sommerakademie", a continuing education program for music teachers in Baden-Württemberg. Each year, this program takes music educators to Lake Constance during their summer vacation to practice and stage works of classical music along with professional lecturers, soloists, and conductors. Another sponsorship grant was awarded to a student art project entitled "Panorama ein Massenmedium" (Panorama A Mass Medium) in the architecture department at the University of Stuttgart. Production of the cell phone film "Deutschland von unten" (Germany from Below) as part of a project aimed at underprivileged youth for which backing and mentoring was provided by Black Dog Jugend und Medienbildung e. V. in Riegel was among the endeavors made possible by our "Ausbildung, Fort- und Weiterbildung" (Education, Training, and Continuing Education) foundation. The foundation also supported the one-week Economic Summer Camp 2009 for youth, which was organized by Verein

Jugend entdeckt Marktwirtschaft e. V. at Lichtenstern-Gymnasium school in Sachsenheim near Ludwigsburg. As in previous years, we also provided grants for numerous excellent dissertations. Thanks to support from our "Natur und Umwelt" (Nature and Environment) foundation, an international scientific symposium about new treatment options for cancer was held at the German Cancer Research Center in Heidelberg. Thanks to the publications in the "Naturschutz im Kleinen" and "Landschaft pur" series, the foundation is further raising public awareness of the issue of nature conservation.

Art and Cultural Heritage Collection

With more than 2,000 pieces, LBBW's art collection is considered one of the most important corporate collections of modern and contemporary art. The focus of the collection is on contemporary German art. In the context of our partnership with the ZKM (Center for Art and Media) / MNK (Museum of Contemporary Art) in Karlsruhe and Kunstmuseum Stuttgart (Stuttgart Art Museum), works from the collection are made available to the public in rotating exhibitions. Art collected over the past decade, for example, was exhibited in a show at ZKM entitled "Extended Sammlung Landesbank Baden-Württemberg" (Extended The Landesbank Baden-Württemberg Collection) from May to October 2009. For the first time, the Galerie für Zeitgenössische Kunst (GfZK Museum of Contemporary Art) in Leipzig included selected works from the "Art at Sachsen Bank/Landesbank Baden-Württemberg Collection" in the "Carte Blanche" exhibition series from November 2009 to January 2010. LBBW's cultural heritage collections provide a glimpse into the past. They contain pieces that exemplify the history of Baden-Württemberg and include a significant collection of historical coins and medallions. We regularly present parts of our collections to customers and employees in rotating exhibitions.

Environment **ES**

Less, smaller, simpler.

An unusual goal for corporations. But not for our environmental performance.

For many years now, we have been dedicated to fulfilling our responsibility to the environment. Part of this effort is quantifying our environmental performance with the goal of limiting the amount of resources used by our business operations, and reducing the resulting emissions and other effects on the environment. Among other ways, we accomplish this objective by raising awareness among employees about the environmental and financial costs of business travel and paper and energy consumption.

In 2010, we again participated in the “Carbon Disclosure Project.” This makes us a co-signer to a project intended for the most important publicly listed companies. The aim is to obtain information from these companies on their handling of emissions and company-specific opportunities and risks associated with climate change, and to raise awareness in the business community about these issues.

Climate Change and Green Technologies

Environmental protection and efficiency technologies, known as green technologies or “greentech”, will grow into a leading industry in Germany in the next decade, according to top experts. In the European industry alone, the use of efficient technologies is expected to increase from 40% to 60% by 2020. Worldwide, the demand for green technologies could grow by nearly 100 percent to EUR 3,100 billion per year by 2020.

We built up analysis and sector expertise in these fields at an early stage. Thanks to this expert knowledge, we are currently heavily involved in financing renewable energy projects.

Customers are increasingly requesting the sustainable investment products we launch or market. Institutional investors in particular, such as insurance companies, investment companies, foundations, and church institutions, are more frequently expressing interest in investment products and strategies for purposes of sustainable asset allocation. But retail investors are also exhibiting heightened interest in sustainable forms of investment.

As a principal bank with broad market coverage and approximately one million retail customers, we additionally advise and assist property owners with building remediation for energy conservation.

“Around 90 percent of
our waste is reused or recycled.”

GERHARD KIMMICH

Technical building systems engineer at BW Immobilien GmbH



Why is garbage even an issue for a bank? And what is LBBW doing to reduce the stream of waste it produces? A talk with Gerhard Kimmich, a technical building systems engineer and Waste Management Officer at LBBW subsidiary BW Immobilien GmbH whose responsibilities include waste disposal.

Mr. Kimmich, a bank like LBBW does not produce any hazardous waste or manufacturing waste, no noticeable quantity of garbage; at least that's what we think. So why do we need a waste management officer?

Kimmich: We need one because even a bank most definitely produces considerable streams of waste. In 2009, LBBW generated a total of 2,749 tonnes, with waste paper making up the largest category at 1,716 tonnes. And the fourth largest category at 79 tonnes is actually hazardous waste, which includes electronic scrap, fluorescent tubes, oil separator contents, fixers, and developers. You see, it's actually quite a lot.

How is it possible to get rid of 1,716 tonnes of waste paper in a year?

Kimmich: Most of that is paper and cardboard as well as security paper that is thrown away by employees directly into secure containers and then shredded by a special service provider. All of this paper is then processed into recycled paper. Prices move in line with the market, and considering the current market situation, the proceeds are enough to cover a large portion of our waste paper disposal expenses, such as transportation costs.

What does a waste management officer do exactly? Is your main responsibility working out strategies for preventing garbage accumulation, or do you mostly deal with practical ways of disposing of the garbage produced?

Kimmich: Most of my working hours are spent on waste disposal. I do something that is an everyday occurrence in the construction industry, where I formerly worked: I organize tenders. We regularly issue new tenders for recycling our materials in order to benefit from rising prices as much as possible.

Naturally, though, avoiding waste in the first place is the top priority at LBBW. However, since we have been

pursuing and continually perfecting our waste strategy for 15 years now, our room for improvement for avoiding waste is fairly limited. That's the bad news and, at the same time, the good news. Of course, we do everything possible as early as the point of purchase to ensure that we are creating as little waste as possible later.

We have also named a waste disposal officer for each of our larger properties who monitors the waste streams created and looks at opportunities for separating metals, wood, and other recyclable materials.

Hold on, how does a bank generate wood waste?

Kimmich: Mostly in the form of pallets. Paper, monitors, and other IT products are delivered on non-reusable pallets. It is clean, dry wood that we pass on to employees or our waste disposal service. We have observed rising demand for this product.

The second largest share of LBBW's waste volume is composed of non-recyclable waste. Can anything useful be sorted out of this waste?

Kimmich: Our 224 tonnes per year of non-recyclable waste are truly non-recyclable and contain nothing else useful. However, these 224 tonnes make up only approximately 8% of our waste volume – the materials that cannot be reused or recycled. I am pretty proud of that figure.

Looking at your waste overview, it is evident that the various offices create very different amounts of garbage. The Königstrasse building in Stuttgart, for instance, creates twice as much waste per employee as the headquarters building in Mannheim.

Kimmich: We do not have any tenants in the building in Mannheim. From the point of view of a waste management officer, tenants are often a problem because many of them do not separate out their recyclables. In LBBW's Bollwerk building, for example, a single tenant produces as much non-recyclable waste as the rest of the tenants in the building combined.

How do we rank in an industry comparison?

Kimmich: Our recycling rate of roughly 90% is really nothing to sneeze at. For example, it is estimated that organic waste is not separated from other waste in 80% of the office buildings in Stuttgart. We do this. And not because we have fun doing it, but because it saves us money.

What happens with LBBW's organic waste?

Kimmich: In Stuttgart, organic waste is sent to the Kirchheim/Teck composting facility. It is composted

there and then sold. Sooner or later, the organic waste in our bins lands in flower boxes, garden beds, or nursery fields.

Would you be offended if we called you the garbage man of LBBW?

Kimmich: Not at all. I know that many people don't want to deal with this topic because they consider it unsavory. But waste disposal is a fascinating industry in which it pays off to stay on the ball – both from the environmental and the economic perspective.

Environmental Performance and Consumption of Resources

By adopting our Guidelines for Sustainability, we have committed to goals including reducing our carbon dioxide emissions. For instance, we aim to reduce our energy consumption by optimizing technical systems in our buildings and IT hardware in the data centers and at workstations. Two-thirds of our CO₂ emissions are attributable to the electricity and heating energy we use.

The following table provides an overview of LBBW's environmental performance and the resources used in our business operations in recent years. The calculation and presentation of our key figures are based on the VfU Indicators, the standards promulgated by the Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e.V. (VfU – Association for Environmental Management in Banks, Savings Banks, and Insurance Companies). In analyzing these figures, please note that the Environmental Performance Statement has included the new Mainz and Leipzig sites since 2008.

Environmental Performance and Consumption of Resources

(LBBW, including BW Bank and new offices in Leipzig and Mainz (the latter two since 2008) as well as LBBW GastroEvent and BW Immobilien GmbH)

Performance data	2004	2005	2006	2007	2008	2009
Input						
Energy (kWh)	113,839,415	144,954,746	136,700,878	13,222,732 ¹	152,580,607	155,753,196
thereof: Electricity	66,676,122	83,975,316	85,698,941	80,826,334 ¹	93,783,046	96,760,771
thereof: From renewable energy sources in percent		as part of energy mix			70	100
thereof: Electricity consumption - building operation		71,375,316	69,398,941	59,726,334	70,783,046	73,760,771

Performance data	2004	2005	2006	2007	2008	2009
thereof: Electricity consumption - data centers ² , including cooling		12,600,000	16,300,000	21,100,000	23,000,000	23,000,000
thereof: Heating energy (district heating)	47,163,293	60,979,430	51,001,937 ³	50,396,398 ^{3,4}	58,797,561 ³	58,992,425
Water (m ³)	297,403	343,872	357,582	332,274 ³	285,739 ³	307,392 ³
Office paper (sheets)	218,572,538	228,386,877	256,013,383	256,562,923	258,569,596	259,775,256
thereof: Copy paper in kg	454,280	412,338	539,978	584,514	610,492	651,763
Printed advertising matter in kg	392,167	493,758	473,796	571,185	545,455	557,445
Transportation in km	22,774,935	25,303,587	28,369,917	30,730,242	41,077,029	38,479,266
thereof: By train	7,833,453	8,224,848	7,901,520	7,827,573	14,464,092	13,668,492
thereof: By car	8,680,515	11,873,701	13,706,582	15,183,584	13,827,789	14,172,113
thereof: By plane	6,260,967	5,205,038	6,761,815	7,719,085	12,785,148	10,638,661
Output						
Waste (kg)	2,163,840	2,418,177	2,577,547	2,326,822	2,375,467	2,749,117
thereof: Paper	1,238,852	1,403,059	1,126,003	1,408,435	1,428,064	1,716,125
thereof: Waste recycled	1,481,751	1,621,193	1,325,331	1,681,246	1,738,720	2,099,565
thereof: Hazardous waste	59,705	36,525	100,870	98,308	114,070	79,046
Emissions (kg):						
CO ₂ equivalent	49,496,346	60,018,638	58,492,416	56,919,921	37,089,900	18,234,427
SO ₂ ⁶						22,726
NO _x ⁶						59,420
PM ⁶						3,362
General data						
Employees, full-time equivalents	7,978	8,762	8,540	8,501	10,182	10,207
Area (m ²)	339,989	419,833	418,501	411,148 ⁵	469,555 ⁷	484,976
Area per employee (m ²)	43	48	49	48 ⁵	46 ⁷	48

¹The figure published in the 2007/2008 and 2009 Sustainability Reports was not correct (was too high). This figure has since been adjusted.

²Data centers in the Hauptbahnhof and Bollwerk Stuttgart buildings; usage data estimated in part, resulting in deviations from the 2007/2008 Sustainability Report.

³Not including figures for the Tübinger Strasse building in Stuttgart.

⁴This figure was corrected from the figure published in the 2007/2008 Sustainability Report due to a rounding error.

The figures on subsequent pages were also adjusted accordingly.

⁵The area figure was corrected; therefore, there is a deviation from the figure in the 2007/2008 Sustainability Report.

⁶The figures for the air pollutants SO₂, NO_x, and PM were calculated for the first time for 2009 (based on Gemis 2004) due to the new requirements stipulated by EMAS III.

⁷The figure published in the 2008/2009 Sustainability Report was not correct (was too low) because it did not include the entire area of the headquarters building in Mainz. This figure has since been adjusted.

LBBW Immobilien GmbH Environmental Performance Statement

Performance data	2008	2009	Primary energy in kWh	CO ₂ equivalents in kg
Input				
Energy (kWh)	2,171,316	3,207,953	6,195,696	1,023,805
thereof: Electricity ¹	862,738	1,319,071	4,181,455	683,806
thereof: Heating energy	1,308,578	1,888,882	2,014,241	339,999
Water (m ³)	4,039	5,455	15,612	2,046
Paper (sheets) ²	8,769,815	9,975,003		
Copy paper in kg	40,912	46,680	218,748	36,737
Printed advertising matter in kg	8,193	8,193	38,393	6,448
Transportation in km	4,606,878	5,055,100	4,554,938	873,634
thereof: By train	686,502	633,616	413,118	34,849
thereof: By car	2,857,753	3,754,874	3,739,855	747,220
thereof: By plane	1,062,623	666,610	401,966	91,566
Output				
Waste (kg)	79,748	117,710	11,444	65,564
General data				
Employees, full-time equivalents	640	783		
Area (m ²)	17,900	18,121		
Area per employee (m ²)	28	23		
Key figures				
Electricity consumption in kWh/m ²	48	73		
Heating energy usage in kWh/m ²	73	104		
Electricity consumption in kWh/employee	1,348	1,685		
Heating energy usage in kWh/employee	2,045	2,412		
Water usage in liters/employee/day	26	28		
Paper usage in pages ² /employee	13,703	12,739		
thereof: Copy paper in kg/employee	64	60		
thereof: Printed advertising matter in kg/employee	13	10		
Share recycled				
Copy paper in %	0	0		
Printed advertising matter in %	0	0		

Performance data	2008	2009
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FSC share		
Copy paper in %	100	100
Printed advertising matter in %	0	0
Business travel in km/employee	7,198	6,456
Waste volume in kg/employee	125	150
CO ₂ emissions from electricity, heating in kg/employee	1,067	1,308
CO ₂ emissions from travel in kg/employee	1,158	1,116

¹ No separate data center exists, i. e. electricity usage figure does not include data centers.

² Total office paper usage (letter paper, copy paper, envelopes, forms) in sheets. Parallel figure given in kg only for copy paper. Figure for printed advertising matter only given in kg.

Key Figures

(LBBW, including BW Bank and new offices in Leipzig and Mainz (the latter two since 2008) as well as LBBW GastroEvent and BW Immobilien GmbH)

	2004	2005	2006	2007	2008	2009
Energy efficiency						
Electricity consumption in kWh/m ² (including data centers)	196	200	205	197	200 ⁴	200
Electricity consumption in kWh/m ² (not including data centers)		170	166	143	151 ⁴	152
Heating energy usage in kWh/m ²	139	160	129	130 ¹	131 ^{1,4}	127 ¹
Electricity consumption in kWh/employee	8,358	9,584	10,035	9,508	9,211	9,480
Heating energy usage in kWh/employee	5,911	7,477	6,085 ¹	6,002 ¹	5,816 ¹	5,794 ¹
Ratio of input (energy purchased)/ output (self-produced energy)	0	0	0	0	0	0
Water						
Water usage in liters/employee/day	149	161	167	157 ¹	113 ¹	120 ¹
Ratio of input (drinking water)/output (waste water) ²	0	0	0	0	0	0
Materials efficiency						
Paper usage in sheets/employee	27,396	29,424	29,978	30,180	25,395	25,451
Copy paper in kg/employee	56	53	63	69	60	64
Printed advertising matter in kg/employee	49	56	55	72	54	55
Ratio of input (copy paper, printed advertising matter)/ output (paper)	0.7	0.6	0.9	0.8	0.8	0.7
Share recycled						
Copy paper in %	84	92	91	93	91	88
Printed advertising matter in %	36	25	15	18	17	12
Business travel						
Business travel in km/employee	2,855	2,888	3,322	3,615	4,034	3,770
Waste						
Waste volume in kg/employee	271	276	302	274	233	269
Emissions						
CO ₂ emissions from electricity, heating in kg/employee ³	5,621	6,471	6,291	6,009	2,923	1,178
CO ₂ emissions from travel in kg/employee	511	409	495	549	600	501

¹ Figure not including employees/Tübinger Strasse area relates to 8,382 employees and 396,212 m² for 2006, 8,397 employees and 388,859 m² for 2007, and 10,109 employees and 419,025 m² for 2008, as well as 10,182 employees and 434,446 m² for 2009.

² We do not have a waste water figure per year for calculation of this figure. This data has not been collected for the Environmental Performance Statement to date. We plan to collect this information in 2010, and we will report the data accordingly then.

³ Conversion factors according to the VFU Indicators 2007 update; the conversion factor by Gemis was used for hydroelectric power; the utility's local conversion factor was used for heating energy.

⁴ The figure published in the 2008/2009 Sustainability Report was not correct (was too high) because it did not include the entire area of the headquarters building in Mainz. This figure has since been adjusted.

CO₂ Equivalents in 2009

(LBBW, including BW Bank and new offices in Leipzig and Mainz (the latter two since 2008) as well as LBBW GastroEvent and BW Immobilien GmbH)

	Absolute figures (in kg)	Relative figures (in kg per employee)
2003	52,361,684	6,954
2004	49,496,346	6,715
2005	60,018,638	6,954
2006	58,492,416	6,870
2007	56,919,921	6,709
2008	37,089,900	3,648
2009	18,234,427	1,786

A conversion factor of 0.0413 kg/kWh (source: Gemis) was used to determine the CO₂ equivalents for hydroelectric power; 0.5184 kg/kWh (source: VFU) was used for electricity from other sources.

A significant reduction in CO₂ emissions has been discernible since 2008. This is explained by the fact that 2008 was the first year in which BW Bank's branches and the LBBW and BW Bank headquarters

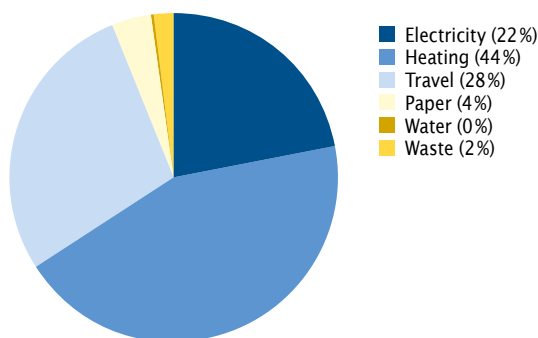
buildings (except the Am Hauptbahnhof 2 building) were supplied with certified green hydroelectric power. All of the LBBW, BW Bank, and Rheinland-Pfalz Bank office buildings have been supplied with green electricity since 2009.

Purchasing green electricity is not the only method we use to reduce our carbon footprint: We also aim to continuously improve our energy efficiency by way of technical and organizational measures, thereby shrinking our CO₂ emissions. For example, we are systematically switching out low-temperature boilers for condensing boilers or, if possible, using combined heat and power generation.

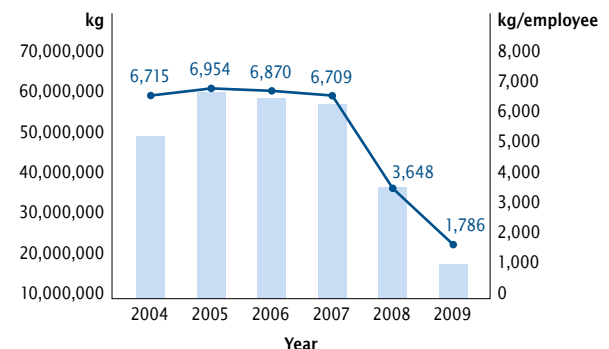


In addition, LBBW offset 8.02 tonnes of CO₂ in 2009 (previous year: 8.3 tonnes) by sending parcels and packages using Deutsche Post DHL's GoGreen service.

CO₂ Emissions in 2009 - Breakdown by Emissions Sources



CO₂ Emissions in Absolute and Relative (per Employee) Figures



■ absolute figures in kg ■ relative figures per employee

Air Pollutants 2009

Performance data	Usage data	Air pollutants in kg			
		km	SO ₂	NO _x	Dust
Business travel by car (gasoline)	3,634,842	608	2,102	69	
Business travel by car (diesel)	10,537,271	2,380	4,819	767	
Business travel by train	13,668,492	1,599	1,825	140	
Business travel, short-distance	1,449,406	1,485	2,260	30	
Business travel, long-distance	9,189,255	6,265	8,053	122	
	kWh	SO ₂	NO _x	Dust	
Electricity	96,760,771	1,342	8,094	1,519	
Heating energy	58,992,425	9,048	32,267	715	
Total air pollutants in kg		22,726	59,420	3,362	
Air pollutants in kg/employee		2.23	5.82	0.33	

Energy Used in Facility Management

LBBW's annual energy bill totals approximately EUR 16.1 million for electricity and EUR 5.4 million for heating. Cutting back on these expenses holds not only enormous environmental potential, but also financial potential.

Our headquarters buildings combined are responsible for over 80% of LBBW's total building energy usage. In terms of identifying savings potential and introducing energy efficiency measures, we therefore concentrate on these buildings first. In recent years, third-party planning and consulting firms have been integrated into this process, and savings measures have been introduced in technical systems in LBBW's buildings, underground garages, heating and lighting systems, and air conditioning. Our ability to generate savings is much greater in the case of new buildings. For instance, we defined a maximum primary energy usage figure in advance for the new office building we leased in Karlsruhe; this figure may not be exceeded.

The new building was designed for energy efficiency accordingly. The result? In the first full year of operation, the usage figures for the Karlsruhe branch fell well below the maximum. In 2009, the primary energy usage figure was only 52 kWh/m².

BW Bank's branches were or are also being analyzed in terms of their energy usage. In cases where it appears more efficient to modernize systems, this will be accomplished during renovation projects.

On the whole, we have not yet been successful in achieving a clear turnaround in the trend in facility management toward lower energy usage. After consuming less energy in 2007 and 2008 (usage figures excluding the new Mainz and Leipzig sites), electricity usage rose again in 2009. Even adjusted for the electricity used by the new LBBW offices, the increase still amounts to 6.7% over the prior year.

We plan to separately document the energy used for building technical systems and IT (data center and workstation IT) so that we can precisely break down energy usage figures by user and identify opportunities for savings. In early 2010, we began measuring electricity consumption by workstation IT systems (printers, monitors, computers, and proportionately by peripherals, such as multi-function devices) in a reference unit and then extrapolated out these figures

for the Bank as a whole. The aim is to monitor and analyze changes in energy consumption continually over several years.

In addition, a work instruction is currently being developed for LBBW Immobilien GmbH and BW Immobilien GmbH, which is integrated into the former, that includes important aspects of sustainable construction as well as the sustainable operation of properties.

Electricity Usage in Absolute Figures (kWh per Building)	2005	2006	2007	2008	2009
Karlsruhe, Ludwig-Erhard-Allee	included in branches			1,133,530	1,107,149
Leipzig, Humboldtstrasse				5,225,267	4,935,487
Mainz, Grosse Bleiche				7,983,411	7,392,348
Stuttgart, Am Hauptbahnhof	24,916,392	29,512,194	31,463,157	29,468,257	33,377,433
thereof: Building operations	15,816,392	18,512,194	16,663,157	13,468,257	16,005,373
thereof: Data center	9,100,000	11,000,000	14,800,000	16,000,000	17,372,060
Stuttgart, Pariser Platz	7,257,648	6,859,256	6,346,887	7,407,171	9,369,595
Stuttgart, Königstrasse	6,303,534	5,972,503	4,578,938	4,544,096	4,613,821
Stuttgart, Kronprinzstrasse 6				776,883 ¹	873,360
Stuttgart, Kronprinzstrasse 8	1,298,200	786,656	859,361	1,091,151 ¹	1,091,374
Stuttgart, Bollwerk	8,547,236	10,358,681	10,650,229	11,872,341	12,662,137
thereof: Building operations	5,047,236	5,058,681	4,350,229	4,872,341	7,034,197
thereof: Data center	3,500,000	5,300,000	6,300,000	7,000,000	5,627,940
Mannheim, Augustaanlage	4,006,746	3,627,156	3,812,635	3,114,394	2,938,061
Branches and other administrative buildings	22,316,940	20,042,813	15,924,007 ²	14,798,406	13,887,643
Stuttgart, Kleiner Schlossplatz	3,374,806	3,546,361	3,146,738	3,540,835	3,486,223
Stuttgart, Tübinger Strasse	5,953,814	4,993,321	4,044,382	2,827,304	1,026,140
Total	83,975,316	85,698,941	80,826,334	93,783,046	96,760,771
Total, not including data centers	71,375,316	69,398,941	59,726,334	70,783,046	73,760,771
Total, not including data centers or new offices in Leipzig/Mainz				57,574,368	61,432,936

¹ In the 2008 Environmental Performance Statement, the data for the Kronprinzbau 6 and Kronprinzbau 8 buildings were reversed. This error has since been corrected, and this is the reason for the deviation from the 2009 reporting.

² The figure published in the 2007/2008 Sustainability Report was not correct (was too high). It has since been adjusted, and the figures on subsequent pages were also corrected.

Electricity Usage in Relative Figures (kWh/m ² per Building) with data centers	2005	2006	2007	2008	2009
Karlsruhe, Ludwig-Erhard-Allee				72	71
Leipzig, Humboldtstrasse				473	447
Mainz, Große Bleiche				202 ¹	187
Stuttgart, Am Hauptbahnhof	179	209	356	333	368
Stuttgart, Pariser Platz	138	130	120	140	177
Stuttgart, Königstrasse	313	297	227	356	361
Stuttgart, Kronprinzstrasse 6 ²				40	56
Stuttgart, Kronprinzstrasse 8	186	113	123	152	155
Stuttgart, Bollwerk	216	216	456	495	536
Mannheim, Augustaanlage	236	214	225	184	172
Branches and other administrative buildings	129	117	93	103	86
Stuttgart, Kleiner Schlossplatz	215	226	200	224	220
Stuttgart, Tübinger Strasse	267	224	181	127	46
Weighted average	170	166	197	200¹	200

Electricity Usage in Relative Figures (kWh/m ² per Building) not including data centers	2005	2006	2007	2008	2009
Karlsruhe, Ludwig-Erhard-Allee				72	71
Leipzig, Humboldtstrasse				473	447
Mainz, Große Bleiche				202 ¹	187
Stuttgart, Am Hauptbahnhof	179	209	188	55	176
Stuttgart, Pariser Platz	138	130	120	140	177
Stuttgart, Königstrasse	313	297	227	356	361
Stuttgart, Kronprinzstrasse 6 ²				56	56
Stuttgart, Kronprinzstrasse 8	186	113	123	152	155
Stuttgart, Bollwerk	216	216	186	203	298
Mannheim, Augustaanlage	236	214	225	184	172
Branches and other administrative buildings	129	117	93	103	86
Stuttgart, Kleiner Schlossplatz	215	226	200	224	220
Stuttgart, Tübinger Strasse	267	224	181	127	46
Weighted average	170	166	143	151¹	152

¹ The figure published in the 2008/2009 Sustainability Report was not correct (was too high) because it did not include the entire area of the headquarters building in Mainz. This figure has since been adjusted.

² In the figure for the Kronprinzstrasse 6 building, electricity usage for ventilation and cooling and general electrical usage are not included because they are allocated in a lump sum by the landlord when billing for utilities.

The Tübinger Strasse 28 building was completely vacated as of September 1, 2009 and therefore used less electricity.

In 2008, the Am Hauptbahnhof 2 building's electricity usage figures were not documented completely due to a faulty meter belonging to the electric company. The amount of energy used missing from the total figure was calculated subsequently in 2009, which explains the sharp increase from 2008 to 2009.

In order to increase the periods of uninterrupted service at the data center in the Am Hauptbahnhof building, additional components were added in 2008 (e. g. uninterruptible power supply). In the trading division, numerous workstations were newly set up or expanded, and some new servers were installed in the data center as a result. In 2009, various systems were additionally taken over from the Mainz office. These measures also caused an increase in electricity usage.

Heating Energy Usage in Absolute Figures (kWh per Building)	2005	2006	2007	2008	2009
Karlsruhe, Ludwig-Erhard-Allee	included in branches			624,440	700,860
Leipzig, Humboldtstrasse				3,509,650	3,388,861
Mainz, Große Bleiche				3,581,621	3,505,381
Stuttgart, Am Hauptbahnhof	14,420,389	10,879,720	12,658,765	12,320,388	12,807,471
Stuttgart, Pariser Platz	5,104,894	4,551,740	3,914,710	4,961,100	5,086,834
Stuttgart, Königstrasse	3,004,769	2,145,995	1,461,886	1,594,697	1,888,878
Stuttgart, Kronprinzstrasse 6				2,923,340	1,939,073
Stuttgart, Kronprinzstrasse 8	660,494	657,193	361,699	405,388	444,944
Stuttgart, Bollwerk	3,569,290	3,720,889	2,842,990	3,035,809	2,873,245
Mannheim, Augustaanlage	0	1,911,080	1,785,263	1,765,510	1,805,526
Branches and other administrative buildings	32,042,673	24,629,120	25,345,885	21,734,783	22,920,494
Stuttgart, Kleiner Schlossplatz	2,176,921	2,506,200	2,025,200	2,340,835	1,630,858
Stuttgart, Tübinger Strasse	No data	No data	No data	No data	No data
Total	60,979,430	51,001,937	50,396,398	58,797,561	58,992,425
Total, not including new offices in Leipzig/Mainz				51,706,290	52,098,183

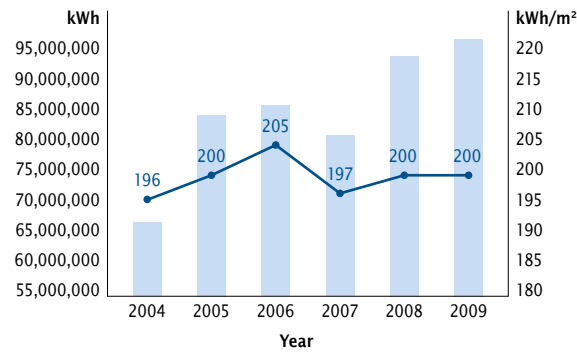
The Kleiner Schlossplatz building has been renovated and has received a new façade since the end of 2008. The building was not re-occupied until August 2009.

During the renovation, occupancy was very low, which explains the low level of heating energy usage.

Heating Energy Usage in Relative Figures (kWh/m ² per Building)	2005	2006	2007	2008	2009
Karlsruhe, Ludwig-Erhard-Allee				40	45
Leipzig, Humboldtstrasse				318	307
Mainz, Große Bleiche				91 ¹	89
Stuttgart, Am Hauptbahnhof	163	123	143	139	141
Stuttgart, Pariser Platz	97	86	74	94	96
Stuttgart, Königstrasse	149	107	114	125	148
Stuttgart, Kronprinzstrasse 6				149	125
Stuttgart, Kronprinzstrasse 8	95	94	52	58	63
Stuttgart, Bollwerk	153	159	122	130	122
Mannheim, Augustaanlage	0	113	105	104	106
Branches and other administrative buildings	185	143	148	127	142
Stuttgart, Kleiner Schlossplatz	139	160	129	149	103
Stuttgart, Tübinger Strasse	No data	No data	No data	No data	No data
Weighted average	160	129	130	131¹	127

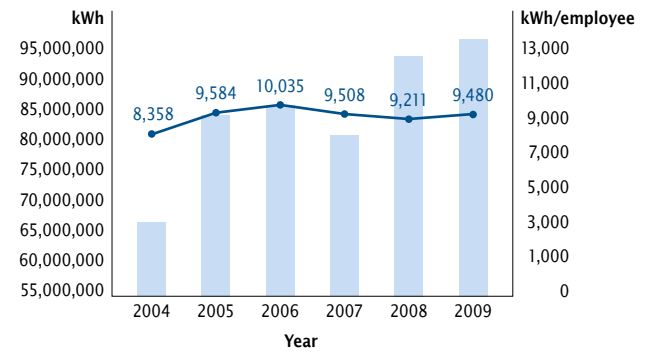
¹ The figure published in the 2008/2009 Sustainability Report was not correct (was too high) because it did not include the entire area of the headquarters building in Mainz. This figure has since been adjusted.

Electricity Usage in Absolute and Relative (by Area) Figures



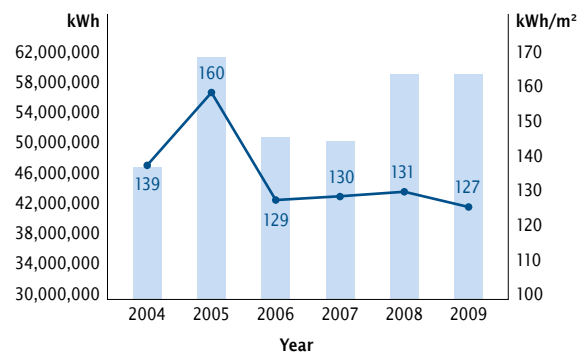
■ absolute figures in kWh ■ relative figures per m²

Electricity Usage in kWh and per Employee



■ absolute figures in kWh ■ relative figures per employee

Heating Energy Usage in Absolute and Relative (by Area) Figures



■ absolute figures in kWh ■ relative figures per m²

kilowatt hours per year (including cooling), the equivalent of the amount of electricity used by a small town with 10,000 inhabitants.

A fundamental condition for instituting and tracking optimization measures is determining actual usage. LBBW's data centers are equipped with highly sensitive meters to measure energy and heat for this reason. The energy used by hardware at standard workstations is also measured so that the usage figures of printers, monitors, and PCs can be distinguished from those of building technical systems (lighting, ventilation, window shutters, elevators, etc.), and the success of these measures can be documented.

IT Energy Usage

Data centers must be absolutely reliable and secure on the one hand. On the other hand, their operation must use as little energy as possible. In practice, however, these two goals can often be difficult to reconcile. Growing volumes of data require constantly increasing computing power. Increased computing power in turn goes hand-in-hand with a greater need for cooling. This is how LBBW's two data centers use around 23 million

Turnaround in IT Energy Usage

The IT Division and the Business Operations Working Group have planned or already implemented measures to determine the relative energy usage for IT purposes. Initial successes have been achieved in this effort. After rising for years, energy usage in the data centers was stabilized in 2009 at total energy consumption of 23,000,000 kWh. We believe that we will therefore be able to reduce consumption in the future.

The following are the measures in detail:

■ **Virtualization and Consolidation**

Hardware can be used more efficiently by combining and merging computing capacity. This is why the services provided by the data centers of the former Landesbank Sachsen and Landesbank Rheinland-Pfalz were taken over in full by LBBW's data centers in Stuttgart as of the end of 2009.

■ **Transparency and Increased Awareness**

Each quarter, the specialized divisions are billed for the current number of PC workstations and printers in intra-company cost allocation. As part of the 2010 Sustainability Program, we have agreed a new measure that enables centralized IT costs (especially electricity usage) to be more accurately attributed to users. In this way, employees and managers will be made more aware of their own energy consumption.

■ **Intelligent Use of Hardware**

All printers are currently configured to switch to energy-saving stand-by mode ten minutes after they are last used. With few exceptions, all PC clients that have not been manually shut down are shut down centrally at 8:00 pm.

■ **Sustainability in Purchasing**

As a rule, companies are only added to LBBW's supplier portfolio if they commit to principles of sustainable business, like LBBW. Moreover, energy-saving hardware technologies ("green IT") are procured for the data centers as well as workstations. As of the end of 2008, a new notebook is being used that consumes 50% less electricity than the previous model by the same manufacturer.

■ **Efficient Equipment and Systems**

Printers, scanners, fax machines, and copiers are gradually being replaced throughout LBBW with multi-function devices. In 2009, a new model of flat-screen monitor was identified that uses 30% less electricity than the previous model. One

thousand older monitors have already been replaced with the more efficient new model.

Centralized systems in the data centers have also been replaced as part of an optimization project. Thanks to better performance, we were able to considerably cut both costs and the amount of electricity used.

■ **Optimization of Data Center Operating Processes**

The capacity of the data center servers is utilized to varying degrees depending on the time of day/working hours and day of the week. Naturally, more computing power is required on business days than at night or on the weekend. Since early 2010, the computing power of the server farms has therefore been adjusted automatically to current employee and system requirements, so that when less computing power is needed, servers are shut down or switched to sleep mode. This procedure is being implemented progressively in the server farms.

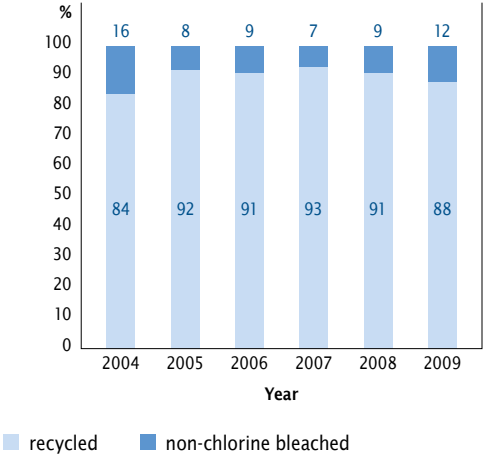
■ **More Efficient Data Center Planning Processes**

A pilot planning tool is currently being used to boost the efficiency of data center planning and management. This tool helps manage the infrastructure for IT equipment, such as electricity and cooling, required during the integration of new equipment into the data center. Timely and automated planning can, for example, ensure even heat distribution within the data center and thus enable more energy-efficient cooling. This can also help prevent undesirable hot spots.

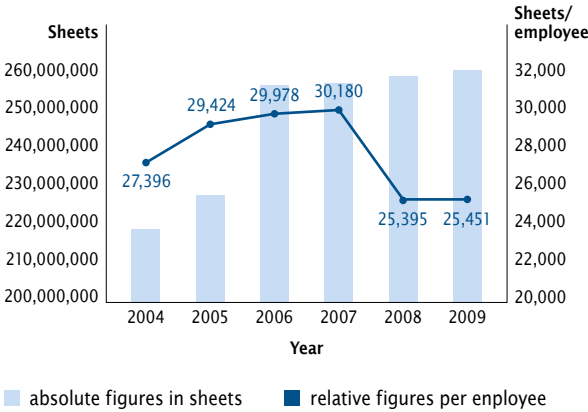
Paper Consumption

In addition to the quantity of paper used, its sustainable quality is also important to us. As a rule, we do not use any paper containing pulp from virgin forests. In accordance with the “Sustainable Procurement” Work Instruction, all paper and printed matter must contain the greatest possible percentage of recycled material or, alternatively, be made of virgin fibers from FSC- or PEFC-certified forests. The share of our paper consumption accounted for by recycled paper remains high at nearly 90%, particularly in the case of copy paper.

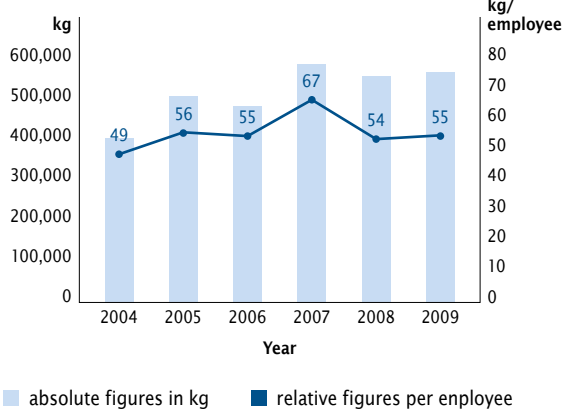
Recycling Rate for Copy Paper



Office Paper in Sheets and per Employee



Printed Advertising Matter in Absolute and Relative (per Employee) Figures



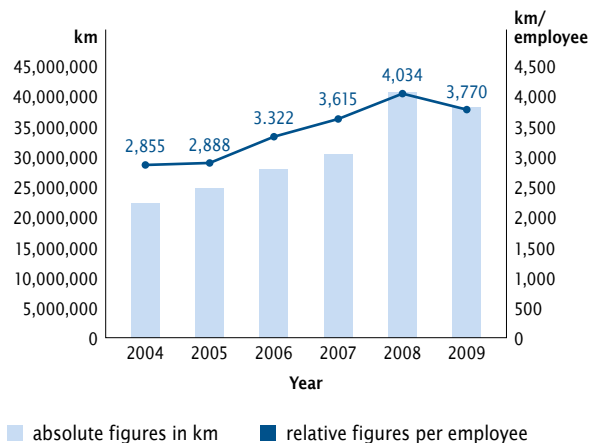
Transportation

Banking is fundamentally a personal business that is based on direct contact between people. This is why our employees are often on the road working with colleagues from other offices or developing optimal solutions in dialogue with customers on site. Business trips include travel to seminars and conferences.

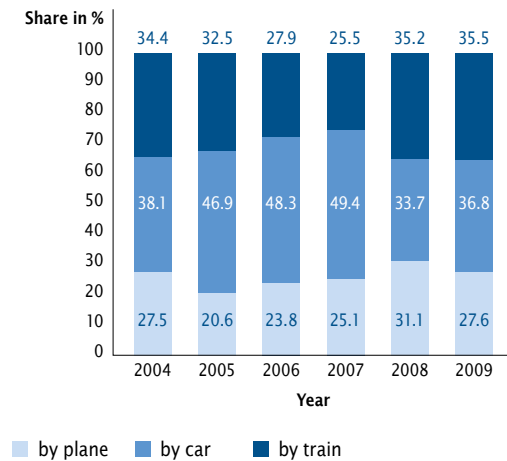
On their way there, our employees are expected to choose the most economical form of transportation and also to take into account environmental considerations when planning and taking trips. LBBW's travel rules require that train trips be given preference over travel by car. Air travel, in turn, should only be selected if the flight represents a documentable time savings for the entire trip of at least two hours, or if special ticket prices are less expensive than comparable train tickets.

The share of business travel undertaken by train did not change from 2008 to 2009. The percentage of travel by train (at 35%) exceeds the minimum figure of 26% specified in the Guidelines for Sustainability, which can also undoubtedly be explained by the excellent transportation connections available from the Stuttgart

Business Travel in Absolute and Relative (per Employee) Figures



Kilometers Traveled by Type of Transportation



headquarters due to its location directly adjacent to the main train station. The share attributable to air travel declined slightly from 31% (2008) to 28% (2009). The aggregate number of kilometers traveled also dropped (by approximately 5%), whereas the total number of kilometers traveled by car climbed marginally. More kilometers were traveled by rental car and private passenger vehicle in particular. In contrast, the number of company, service, departmental, and fleet vehicles decreased by a total of 738 in 2008 to 687 vehicles in 2009.

Our goal remains to raise awareness among employees for reducing air and automobile travel to only what is absolutely necessary and to examine possible technical alternatives, such as phone and video conferences. In 2009, the information provided on LBBW's Intranet concerning phone and video conferencing was expanded so that all employees have access to a video conference room overview, including the relevant contacts. As of June 2010, a total of 16 video conference rooms are available at five locations in Germany along with another eight rooms in other countries.

Eco-Driving Training

The 2009 Sustainability Program included fuel-saving driver training for employees who frequently drive for business. Two courses with six participants each were held in fall 2009 in cooperation with a special service provider. This course offering will continue as part of the in-house training program in 2010.

Cooperation with DB CarSharing and DB Call-a-Bike

Since private and business travel habits are usually very similar, we inform employees about private options for optimizing their trips or commutes in order to encourage them to choose environmentally friendly forms of transportation. This includes, for example, a variety of commuter passes offered in larger cities, such as Stuttgart, Karlsruhe, and Mannheim, as well as tips for sustainable vacation travel planning with a sweepstake in the employee magazine.

A partnership with Deutsche Bahn began in January 2010. All customers of LBBW with an “extend” value-added account receive discounts on the use of DB CarSharing vehicles (including DB Flinkster vehicles, which are available in large numbers in Stuttgart and Cologne) and the DB Call-a-Bike service. Because 98% of LBBW employees have this type of account, they also benefit from these discounts and can, for example, easily shift road mileage to rail by combining train travel with use of a DB CarSharing vehicle.

Waste

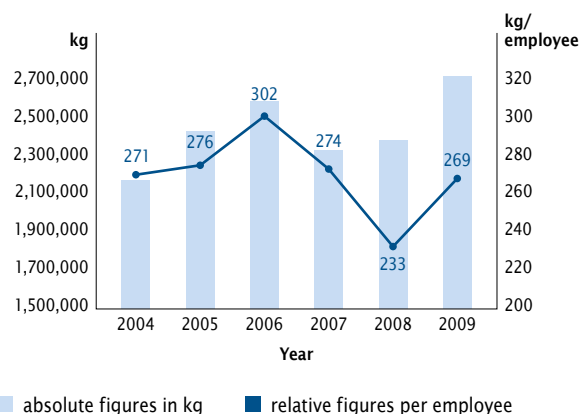
Waste Volume in 2009	kg
Non-hazardous	2,670,071
Regular paper (15 01 01N)	516,492
Security paper (15 01 01)	1,199,633
Glass (20 01 02)	33,052
Metal (15 01 04)	18,735
Plastic (15 01 02)	8
Wood (17 02 01)	142,624
Compostable waste (20 02 01)	35,322
Organic kitchen waste (20 01 08)	153,699
Edible oils/fats (20 01 25)	0
Electronic scrap (16 02 14)	38,082
Mixed materials (15 01 06)	93,816
Non-recyclable waste (20 03 01)	224,046
Security plastics (15 01 02)	29,837
Sludges/grease separators (02 02 04)	184,725
Hazardous waste	79,046
Other hazardous waste	449
Lead batteries (16 06 01)	0
Insulation materials (17 06 03)	0
Fluorescent tubes (20 01 21)	1,339
Monitors, battery-operated devices (16 02 13)	73,903
Electronic scrap (20 01 35)	3,273
Fixers and developers (09 01 01)	30
Fixers and developers (09 01 04)	35
Gear/lubricating oils (13 02 05)	17
Total	2,749,117

Up to and including 2008, the absolute quantity of waste (including recyclable materials) generated at LBBW remained approximately at the same level. The only exception was 2006, which should be considered an outlier.

In 2009, the absolute volume of waste produced rose sharply, which was chiefly due to the Tübinger Strasse 28 building and the archive in the Hauptbahnhof 2 building being vacated.

The recycling rate for the Bank as a whole is around 90%.

Waste Volume in Absolute and Relative (per Employee) Figures



Waste Volume (Including Recyclables) of the Validated Sites (in kg)

	2004	2005	2006	2007	2008		2009	
					Absolute figures	Kg/employee	Absolute figures	Kg/employee
Am Hauptbahnhof 2	413,200	464,000	527,700	459,900	384,400	151	541,517	201
Pariser Platz	104,500	104,400	222,000	370,500	224,800	Hbf and PP are calculated together	282,937	Hbf and PP are calculated together
Bollwerk	118,200	72,300	94,400	94,700	87,400	256	70,365	195
Königstrasse	148,100	132,400	60,600	45,500	27,300	217	32,292	271
Kleiner Schlossplatz including Kronprinzstrasse	121,000	71,600	177,000	175,000	332,600	431	295,462	294
Mannheim	74,600	142,000	76,500	98,600	100,700	260	52,538	134

Biodiversity

The term “biodiversity” involves protecting the biological diversity of individual species as well as the diversity of ecosystems. Biodiversity is threatened worldwide and, along with it, material resources are lost that are important to various industries. For this reason, all companies are called upon to be aware of the effects of their business activities on local and global biodiversity and to take an active role in this regard. Through the VfU, LBBW is involved in an exchange of ideas with other financial services providers. They work together to establish the possibilities in corporate ecology, e. g. through nesting aids and environmentally friendly landscaping in conjunction with employee awareness campaigns, as well as in their core business. The objective of the VfU Biodiversity Forum is to develop industry standards on biodiversity for financial services providers.

LBBW has begun communicating biodiversity issues to employees by initiating awareness-raising campaigns. We have published facts and figures on the LBBW Intranet concerning the definition and economic importance of biodiversity, and the opportunities and risks of biodiversity issues for financial services providers.

On the occasion of the International Year of Biodiversity, our training department is offering apprentices the option of choosing an ecological option for their social service project for the first time in 2010. This allows them to volunteer in facilities that provide social services or environmental services (e. g. nature conservation, landscape management, etc.) and learn about the everyday routine there.

The LBBW “Natur und Umwelt” (Nature and Environment) foundation provides information in its publication series about hiking destinations worth visiting in nature reserves in Baden-Württemberg as well as practical nature conservation initiatives. Each year, this foundation participates in around 50 concrete projects aimed at protecting nature and the environment and ensuring the survival of domestic species of plants and animals. In addition, the foundation also supports smaller research projects concerned with protecting the environment and nature, or in the fields of biology and medicine, including naturopathy.

In 2009, the foundation supported a project by Schickhardt Gymnasium school in Stuttgart as part of the Biological Diversity Action Plan by Baden-Württemberg’s state government. The “Violet Carpenter Bee Project” involved tracking the species on and off the school property, visiting existing biotopes, and setting up new protected areas for these warmth-loving wild bees.

Facts and Figures

Personnel Figures and Environment.

Personnel Figures

Personnel Figures (as of: Dec. 31, 2009)

Personnel Figures for the LBBW Group	2007	2008	2009
Employees (according to IFRS)	12,303	13,369	13,630
Women, total in absolute figures (in %)	6,280 (51 %)	6,857 (51 %)	6,952 (51 %)
Men, total in absolute figures (in %)	6,023 (49%)	6,512 (49%)	6,678 (49%)
Turnover rate, including early retirement and severance agreements (not including sub-group*)	N/A	5.8%	4.99%
No. of women who have left the company	201	254	211
No. of men who have left the company	260	342	244
Avg. length of service (not including sub-group*)	14.2	13.8	14.1
Age breakdown (absolute figures)			
> 60 years	373	134	148
51 - 60 years	1,777	2,273	2,482
41 - 50 years	3,916	4,278	4,480
31 - 40 years	3,544	4,144	4,069
25 - 30 years	2,028	1,738	1,720
< 25 years	665	802	731
Average age	39.1 years	39.25 years	40.94 years
Full-time employees - in absolute figures (in %)	9,979 (81.1 %)	10,869 (81.3 %)	10,948 (80.3 %)
Part-time employees - in absolute figures (in %)	2,324 (18.9%)	2,506 (18.7%)	2,682 (19.7%)
No. of female part-time employees	2,175 (93.6%)	2,327 (92.9%)	2,441 (91 %)
No. of male part-time employees	149 (6.3%)	179 (7.1 %)	241 (9%)
No. of apprentices (including Luxembourg from 2009 onward)	638	665	679
Training rate	5.2%	5%	5%
No. of fixed-term employees (total for the year)	47	52	55
No. of fixed-term employees (as of Dec. 31)	53	56	41
No. of temporary employees (total for the year, not including sub-group*)	N/A	53.5	33.9
No. of trainees	185	202	185

*not including sub-group = LBBW Group excluding LBBW-Immobilien and MKB
N/A = no data available

Personnel Figures (as of: Dec. 31, 2009)

Personnel Figures for LBBW Bank, including the BW Bank, LRP, and SachsenBank brands	2007	2008	2009
Total employees	9,322	10,934	10,947
Women, total in absolute figures (in %)	4,820 (52%)	5,583 (51%)	5,570 (51%)
Men, total in absolute figures (in %)	4,502 (48%)	5,351 (49%)	5,377 (49%)
Men on Board of Managing Directors, in absolute figures	7	7	7
Women on Board of Managing Directors, in absolute figures	0	0	0
Men at level 2, including brand board members, in absolute figures (in %)	36 (94.7%)	54 (96.4%)	49 (96.1%)
Women at level 2, including brand board members, in absolute figures (in %)	2 (6.3%)	2 (3.6%)	2 (3.9%)
Men at level 3, in absolute figures (in %)	184 (95.3%)	230 (95.7%)	217 (94.3%)
Women at level 3, in absolute figures (in %)	9 (4.7%)	10 (4.3%)	13 (5.7%)
Men at level 4, in absolute figures (in %)	646 (82.1%)	746 (81.3%)	746 (80.3%)
Women at level 4, in absolute figures (in %)	141 (17.9%)	172 (18.7%)	183 (19.7%)
Full-time employees - in absolute figures (in %)	7,441 (79.8%)	8,732 (79.9%)	8,560 (78.7%)
Part-time employees - in absolute figures (in %)	1,881 (20.2%)	2,202 (20.1%)	2,336 (21.3%)
No. of female part-time employees	1,765 (93.8%)	2,051 (93.1%)	2,129 (91.1%)
No. of male part-time employees	116 (6.2%)	151 (6.9%)	207 (8.9%)
No. of part-time executive staff at levels 1 to 3	2	4	3
Men on parental leave/family year (total for the year)	30	84	148
thereof: Men working during parental leave (total for the year)	N/A	9	22
Women on parental leave/family year (total for the year)	928	995	1,005
thereof: Women working during parental leave (total for the year)	N/A	111	295
No. of apprentices	584	619	628
Training rate	6.3%	5.7%	5.7%
No. of fixed-term employees (total for the year)	34	38	31
No. of temporary employees (total for the year)	N/A	47.7	29
No. of trainees	156	191	157
Turnover rate, including early retirement and severance agreements	5.2%	5.3%	4.3%
Avg. length of service	14.7	14.5	14.8
Rate of absence due to illness	2.8%	2.7%	3%

N/A = no data available

Personnel Figures for LBBW Bank, including the BW Bank, LRP, and SachsenBank brands	2007	2008	2009
Remuneration structure			
Remuneration, men AT or TVöD 14, 15	20%	22.06%	22%
Remuneration, women AT or TVöD 14, 15	4%	4.72%	4.6%
Remuneration, men TG 9 or TVöD 11 - 13	10%	9.72%	10.7%
Remuneration, women TG 9 or TVöD 11 - 13	4%	6.49%	7%
Remuneration, men TG 7, 8 or TVöD 9, 10	10%	9.58%	9.5%
Remuneration, women TG 7, 8 or TVöD 9, 10	17%	16.13%	16.2%
Remuneration, men TG 4 - 6 or TVöD 6 - 8	5%	5.03%	4.9%
Remuneration, women TG 4 - 6 or TVöD 6 - 8	23%	21.47%	21.2%
Remuneration, men TG 1 - 3 or TVöD 1 - 5	0%	0.51%	0.3%
Remuneration, women TG 1 - 3 or TVöD 1 - 5	1%	0.68%	0.5%
Remuneration, men "Other (subject to collective bargaining agreements)" category	2%	2.03%	1.8%
Remuneration, women "Other (subject to collective bargaining agreements)" category	2%	1.57%	1.3%
Personnel development measures, total	17,787	15,059	19,167
Personnel development measures, women (no.)	N/A	N/A	8,867
Personnel development measures, men (no.)	N/A	N/A	10,300
Seminar days per employee (not including apprentices)	4.4 days	3.9 days	3.8 days
Seminar hours per employee (not including apprentices)	34.3 hrs.	30.4 hrs.	29.6 hrs.
Personnel development measures by topic:			
- Specialist banking seminars	9,819	9,914	13,347
- Management seminars	469	884	388
- Long-term seminars	580	624	699
- Office skills training	137	135	173
- Methodological expertise	801	957	1,412
- Language seminars	1,086	1,287	1,794
- IT seminars	791	684	759
- PC user seminars	499	574	595
- Retail and investment customer advising process	3,605	-	-
No. of employees with disabilities/employees with equivalent status	314 (3%)	480 (3.63%)	476 (3.87%)

N/A = no data available

AT = Außer tariflich = Certain employees with special qualifications are not subject to collective bargaining agreements and are therefore compensated by way of a separate agreement that exceeds the highest wage group.

TVöD = Tarifvertrag für den öffentlichen Dienst = Collective Agreement for the Public Service Sector

TG = Tarifgruppe (Banktarif) = Bank-specific wage group

Environment.

Environmental Performance and Consumption of Resources

(LBBW, including BW Bank and new offices in Leipzig and Mainz (the latter two since 2008)
as well as LBBW GastroEvent and BW Immobilien GmbH)

Performance data	2004	2005	2006	2007	2008	2009
Input						
Energy (kWh)	113,839,415	144,954,746	136,700,878	13,222,732 ¹	152,580,607	155,753,196
thereof: Electricity	66,676,122	83,975,316	85,698,941	80,826,334 ¹	93,783,046	96,760,771
thereof: From renewable energy sources in percent		as part of energy mix			70	100
thereof: Electricity consumption - building operation		71,375,316	69,398,941	59,726,334	70,783,046	73,760,771
thereof: Electricity consumption - data centers ² , including cooling		12,600,000	16,300,000	21,100,000	23,000,000	23,000,000
thereof: Heating energy (district heating)	47,163,293	60,979,430	51,001,937 ³	50,396,398 ^{3,4}	58,797,561 ³	58,992,425
Water (m ³)	297,403	343,872	357,582	332,274 ³	285,739 ³	307,392 ³
Office paper (sheets)	218,572,538	228,386,877	256,013,383	256,562,923	258,569,596	259,775,256
thereof: Copy paper in kg	454,280	412,338	539,978	584,514	610,492	651,763
Printed advertising matter in kg	392,167	493,758	473,796	571,185	545,455	557,445
Transportation in km	22,774,935	25,303,587	28,369,917	30,730,242	41,077,029	38,479,266
thereof: By train	7,833,453	8,224,848	7,901,520	7,827,573	14,464,092	13,668,492
thereof: By car	8,680,515	11,873,701	13,706,582	15,183,584	13,827,789	14,172,113
thereof: By plane	6,260,967	5,205,038	6,761,815	7,719,085	12,785,148	10,638,661
Output						
Waste (kg)	2,163,840	2,418,177	2,577,547	2,326,822	2,375,467	2,749,117
thereof: Paper	1,238,852	1,403,059	1,126,003	1,408,435	1,428,064	1,716,125
thereof: Waste recycled	1,481,751	1,621,193	1,325,331	1,681,246	1,738,720	2,099,565
thereof: Hazardous waste	59,705	36,525	100,870	98,308	114,070	79,046
Emissions (kg):						
CO ₂ equivalent	49,496,346	60,018,638	58,492,416	56,919,921	37,089,900	18,234,427
SO ₂ ⁶						22,726
NO _x ⁶						59,420
PM ⁶						3,362

Performance data	2004	2005	2006	2007	2008	2009
General data						
Employees, full-time equivalents	7,978	8,762	8,540	8,501	10,182	10,207
Area (m ²)	339,989	419,833	418,501	411,148 ⁵	469,555 ⁷	484,976
Area per employee (m ²)	43	48	49	48 ⁵	46 ⁷	48

¹The figure published in the 2007/2008 and 2009 Sustainability Reports was not correct (was too high). This figure has since been adjusted.

²Data centers in the Hauptbahnhof and Bollwerk Stuttgart buildings; usage data estimated in part, resulting in deviations from the 2007/2008 Sustainability Report.

³Not including figures for the Tübinger Strasse building in Stuttgart.

⁴This figure was corrected from the figure published in the 2007/2008 Sustainability Report due to a rounding error.

The figures on subsequent pages were also adjusted accordingly.

⁵The area figure was corrected; therefore, there is a deviation from the figure in the 2007/2008 Sustainability Report.

⁶The figures for the air pollutants SO₂, NO_x, and PM were calculated for the first time for 2009 (based on Gemis 2004) due to the new requirements stipulated by EMAS III.

⁷The figure published in the 2008/2009 Sustainability Report was not correct (was too low) because it did not include the entire area of the headquarters building in Mainz. This figure has since been adjusted.

LBBW Immobilien GmbH Environmental Performance Statement

Performance data	2008	2009	Primary energy in kWh	CO ₂ equivalents in kg
Input				
Energy (kWh)	2,171,316	3,207,953	6,195,696	1,023,805
thereof: Electricity ¹	862,738	1,319,071	4,181,455	683,806
thereof: Heating energy	1,308,578	1,888,882	2,014,241	339,999
Water (m ³)	4,039	5,455	15,612	2,046
Paper (sheets) ²	8,769,815	9,975,003		
Copy paper in kg	40,912	46,680	218,748	36,737
Printed advertising matter in kg	8,193	8,193	38,393	6,448
Transportation in km	4,606,878	5,055,100	4,554,938	873,634
thereof: By train	686,502	633,616	413,118	34,849
thereof: By car	2,857,753	3,754,874	3,739,855	747,220
thereof: By plane	1,062,623	666,610	401,966	91,566
Output				
Waste (kg)	79,748	117,710	11,444	65,564
General data				
Employees, full-time equivalents	640	783		
Area (m ²)	17,900	18,121		
Area per employee (m ²)	28	23		

Performance data	2008	2009	Primary energy in kWh	CO ₂ equivalents in kg
Key Figures				
Electricity consumption in kWh/m ²	48	73		
Heating energy usage in kWh/m ²	73	104		
Electricity consumption in kWh/employee	1,348	1,685		
Heating energy usage in kWh/employee	2,045	2,412		
Water usage in liters/employee/day	26	28		
Paper usage in pages ² /employee	13,703	12,739		
thereof: Copy paper in kg/employee	64	60		
thereof: Printed advertising matter in kg/employee	13	10		
Share recycled				
Copy paper in %	0	0		
Printed advertising matter in %	0	0		
FSC share				
Copy paper in %	100	100		
Printed advertising matter in %	0	0		
Business travel in km/employee	7,198	6,456		
Waste volume in kg/employee	125	150		
CO ₂ emissions from electricity, heating in kg/employee	1,067	1,308		
CO ₂ emissions from travel in kg/employee	1,158	1,116		

¹No separate data center exists, i. e. electricity usage figure does not include data centers.

²Total office paper usage (letter paper, copy paper, envelopes, forms) in sheets. Parallel figure given in kg only for copy paper. Figure for printed advertising matter only given in kg.

Key Figures

(LBBW, including BW Bank and new offices in Leipzig and Mainz (the latter two since 2008)
as well as LBBW GastroEvent and BW Immobilien GmbH)

	2004	2005	2006	2007	2008	2009
Energy efficiency						
Electricity consumption in kWh/m ² (including data centers)	196	200	205	197	200 ⁴	200
Electricity consumption in kWh/m ² (not including data centers)		170	166	143	151 ⁴	152
Heating energy usage in kWh/m ²	139	160	129	130 ¹	131 ^{1,4}	127 ¹
Electricity consumption in kWh/employee	8,358	9,584	10,035	9,508	9,211	9,480
Heating energy usage in kWh/employee	5,911	7,477	6,085 ¹	6,002 ¹	5,816 ¹	5,794 ¹
Ratio of input (energy purchased)/ output (self-produced energy)	0	0	0	0	0	0
Water						
Water usage in liters/employee/day	149	161	167	157 ¹	113 ¹	120 ¹
Ratio of input (drinking water)/output (waste water) ²	0	0	0	0	0	0
Materials efficiency						
Paper usage in sheets/employee	27,396	29,424	29,978	30,180	25,395	25,451
Copy paper in kg/employee	56	53	63	69	60	64
Printed advertising matter in kg/employee	49	56	55	72	54	55
Ratio of input (copy paper, printed advertising matter)/ output (paper)	0.7	0.6	0.9	0.8	0.8	0.7
Share recycled						
Copy paper in %	84	92	91	93	91	88
Printed advertising matter in %	36	25	15	18	17	12
Business travel						
Business travel in km/employee	2,855	2,888	3,322	3,615	4,034	3,770
Waste						
Waste volume in kg/employee	271	276	302	274	233	269
Emissions						
CO ₂ emissions from electricity, heating in kg/employee ³	5,621	6,471	6,291	6,009	2,923	1,178
CO ₂ emissions from travel in kg/employee	511	409	495	549	600	501

¹ Figure not including employees/Tübinger Strasse area relates to 8,382 employees and 396,212 m² for 2006, 8,397 employees and 388,859 m² for 2007, and 10,109 employees and 419,025 m² for 2008, as well as 10,182 employees and 434,446 m² for 2009.

² We do not have a waste water figure per year for calculation of this figure. This data has not been collected for the Environmental Performance Statement to date. We plan to collect this information in 2010, and we will report the data accordingly then.

³ Conversion factors according to the VFU Indicators 2007 update; the conversion factor by Gemis was used for hydroelectric power; the utility's local conversion factor was used for heating energy.

⁴ The figure published in the 2008/2009 Sustainability Report was not correct (was too high) because it did not include the entire area of the headquarters building in Mainz. This figure has since been adjusted.

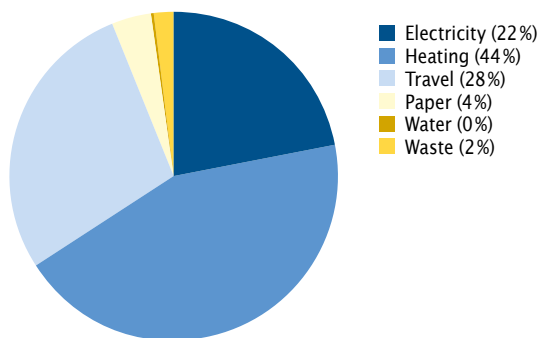
CO₂ Equivalents in 2009

(LBBW, including BW Bank and new offices in Leipzig and Mainz (the latter two since 2008) as well as LBBW GastroEvent and BW Immobilien GmbH)

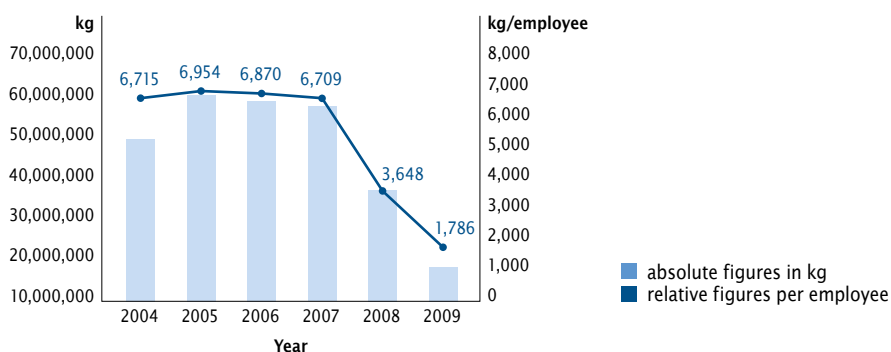
	Absolute figures (in kg)	Relative figures (in kg per employee)
2003	52,361,684	6,954
2004	49,496,346	6,715
2005	60,018,638	6,954
2006	58,492,416	6,870
2007	56,919,921	6,709
2008	37,089,900	3,648
2009	18,234,427	1,786

A conversion factor of 0.0413 kg/kWh (source: Gemis) was used to determine the CO₂ equivalents for hydroelectric power; 0.5184 kg/kWh (source: VfU) was used for electricity from other sources.

CO₂ Emissions in 2009 – Breakdown by Emissions Sources



CO₂ Emissions in Absolute and Relative (per Employee) Figures



Air Pollutants 2009

Performance data	Usage data	Air pollutants in kg		
		km	SO ₂	NO _x
Business travel by car (gasoline)	3,634,842	608	2,102	69
Business travel by car (diesel)	10,537,271	2,380	4,819	767
Business travel by train	13,668,492	1,599	1,825	140
Business travel, short-distance	1,449,406	1,485	2,260	30
Business travel, long-distance	9,189,255	6,265	8,053	122
	kWh	SO ₂	NO _x	Dust
Electricity	96,760,771	1,342	8,094	1,519
Heating energy	58,992,425	9,048	32,267	715
Total air pollutants in kg		22,726	59,420	3,362
Air pollutants in kg/employee		2.23	5.82	0.33

Electricity Usage

Electricity Usage in Absolute Figures (kWh per Building)	2005	2006	2007	2008	2009
Karlsruhe, Ludwig-Erhard-Allee	included in branches			1,133,530	1,107,149
Leipzig, Humboldtstrasse				5,225,267	4,935,487
Mainz, Grosse Bleiche				7,983,411	7,392,348
Stuttgart, Am Hauptbahnhof	24,916,392	29,512,194	31,463,157	29,468,257	33,377,433
thereof: Building operations	15,816,392	18,512,194	16,663,157	13,468,257	16,005,373
thereof: Data center	9,100,000	11,000,000	14,800,000	16,000,000	17,372,060
Stuttgart, Pariser Platz	7,257,648	6,859,256	6,346,887	7,407,171	9,369,595
Stuttgart, Königstrasse	6,303,534	5,972,503	4,578,938	4,544,096	4,613,821
Stuttgart, Kronprinzstrasse 6				776,883 ¹	873,360
Stuttgart, Kronprinzstrasse 8	1,298,200	786,656	859,361	1,091,151 ¹	1,091,374
Stuttgart, Bollwerk	8,547,236	10,358,681	10,650,229	11,872,341	12,662,137
thereof: Building operations	5,047,236	5,058,681	4,350,229	4,872,341	7,034,197
thereof: Data center	3,500,000	5,300,000	6,300,000	7,000,000	5,627,940
Mannheim, Augustaanlage	4,006,746	3,627,156	3,812,635	3,114,394	2,938,061
Branches and other administrative buildings	22,316,940	20,042,813	15,924,007 ²	14,798,406	13,887,643
Stuttgart, Kleiner Schlossplatz	3,374,806	3,546,361	3,146,738	3,540,835	3,486,223
Stuttgart, Tübinger Strasse	5,953,814	4,993,321	4,044,382	2,827,304	1,026,140
Total	83,975,316	85,698,941	80,826,334	93,783,046	96,760,771
Total, not including data centers	71,375,316	69,398,941	59,726,334	70,783,046	73,760,771
Total, not including data centers or new offices in Leipzig/Mainz				57,574,368	61,432,936

¹ In the 2008 Environmental Performance Statement, the data for the Kronprinzbau 6 and Kronprinzbau 8 buildings was reversed. This error has since been corrected, and this is the reason for the deviation from the 2009 reporting.

² The figure published in the 2007/2008 Sustainability Report was not correct (was too high). It has since been adjusted, and the figures on subsequent pages were also corrected.

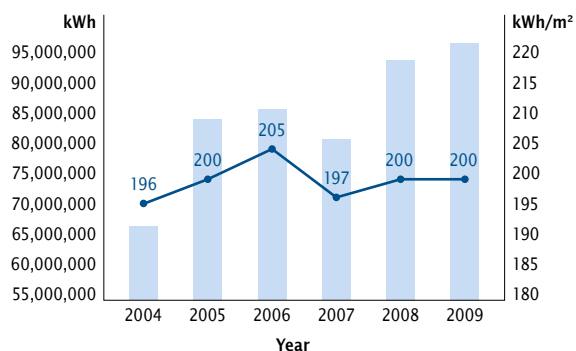
Electricity Usage in Relative Figures (kWh/m ² per Building) with data centers	2005	2006	2007	2008	2009
Karlsruhe, Ludwig-Erhard-Allee				72	71
Leipzig, Humboldtstrasse				473	447
Mainz, Große Bleiche				202 ¹	187
Stuttgart, Am Hauptbahnhof	179	209	356	333	368
Stuttgart, Pariser Platz	138	130	120	140	177
Stuttgart, Königstrasse	313	297	227	356	361
Stuttgart, Kronprinzstrasse 6 ²				40	56
Stuttgart, Kronprinzstrasse 8	186	113	123	152	155
Stuttgart, Bollwerk	216	216	456	495	536
Mannheim, Augustaanlage	236	214	225	184	172
Branches and other administrative buildings	129	117	93	103	86
Stuttgart, Kleiner Schlossplatz	215	226	200	224	220
Stuttgart, Tübinger Strasse	267	224	181	127	46
Weighted average	170	166	197	200¹	200

Electricity Usage in Relative Figures (kWh/m ² per Building) not including data centers	2005	2006	2007	2008	2009
Karlsruhe, Ludwig-Erhard-Allee				72	71
Leipzig, Humboldtstrasse				473	447
Mainz, Große Bleiche				202 ¹	187
Stuttgart, Am Hauptbahnhof	179	209	188	55	176
Stuttgart, Pariser Platz	138	130	120	140	177
Stuttgart, Königstrasse	313	297	227	356	361
Stuttgart, Kronprinzstrasse 6 ²				56	56
Stuttgart, Kronprinzstrasse 8	186	113	123	152	155
Stuttgart, Bollwerk	216	216	186	203	298
Mannheim, Augustaanlage	236	214	225	184	172
Branches and other administrative buildings	129	117	93	103	86
Stuttgart, Kleiner Schlossplatz	215	226	200	224	220
Stuttgart, Tübinger Strasse	267	224	181	127	46
Weighted average	170	166	143	151¹	152

¹ The figure published in the 2008/2009 Sustainability Report was not correct (was too high) because it did not include the entire area of the headquarters building in Mainz. This figure has since been adjusted.

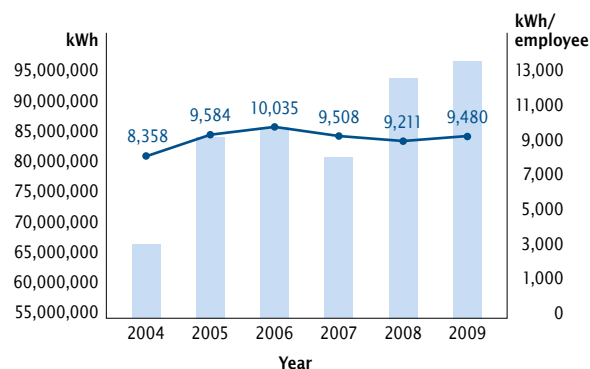
² In the figure for the Kronprinzstrasse 6 building, electricity usage for ventilation and cooling and general electrical usage are not included because they are allocated in a lump sum by the landlord when billing for utilities.

Electricity Usage in Absolute and Relative (by Area) Figures



■ absolute figures in kWh ■ relative figures per m²

Electricity Usage in kWh and per Employee



■ absolute figures in kWh ■ relative figures per employee

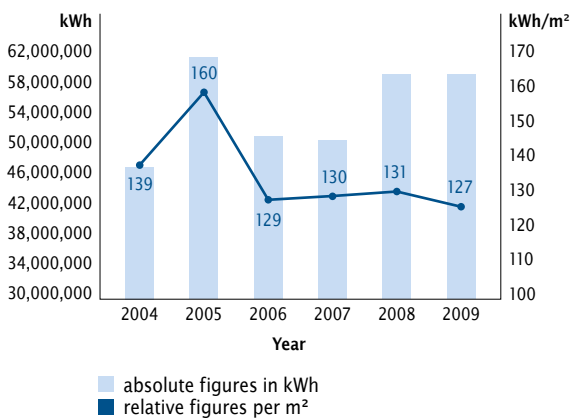
Heating Energy Usage

Heating Energy Usage in Absolute Figures (kWh per Building)	2005	2006	2007	2008	2009
Karlsruhe, Ludwig-Erhard-Allee	included in branches			624,440	700,860
Leipzig, Humboldtstrasse				3,509,650	3,388,861
Mainz, Große Bleiche				3,581,621	3,505,381
Stuttgart, Am Hauptbahnhof	14,420,389	10,879,720	12,658,765	12,320,388	12,807,471
Stuttgart, Pariser Platz	5,104,894	4,551,740	3,914,710	4,961,100	5,086,834
Stuttgart, Königstrasse	3,004,769	2,145,995	1,461,886	1,594,697	1,888,878
Stuttgart, Kronprinzstrasse 6				2,923,340	1,939,073
Stuttgart, Kronprinzstrasse 8	660,494	657,193	361,699	405,388	444,944
Stuttgart, Bollwerk	3,569,290	3,720,889	2,842,990	3,035,809	2,873,245
Mannheim, Augustaanlage	0	1,911,080	1,785,263	1,765,510	1,805,526
Branches and other administrative buildings	32,042,673	24,629,120	25,345,885	21,734,783	22,920,494
Stuttgart, Kleiner Schlossplatz	2,176,921	2,506,200	2,025,200	2,340,835	1,630,858
Stuttgart, Tübinger Strasse	No data	No data	No data	No data	No data
Total	60,979,430	51,001,937	50,396,398	58,797,561	58,992,425
Total, not including new offices in Leipzig/Mainz				51,706,290	52,098,183

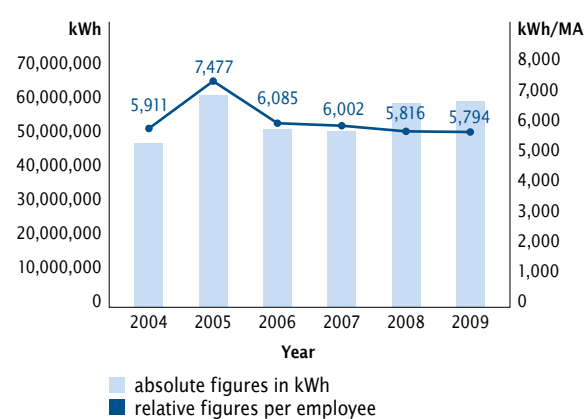
Heating Energy Usage in Relative Figures (kWh/m ² per Building)	2005	2006	2007	2008	2009
Karlsruhe, Ludwig-Erhard-Allee				40	45
Leipzig, Humboldtstrasse				318	307
Mainz, Große Bleiche				91 ¹	89
Stuttgart, Am Hauptbahnhof	163	123	143	139	141
Stuttgart, Pariser Platz	97	86	74	94	96
Stuttgart, Königstrasse	149	107	114	125	148
Stuttgart, Kronprinzstrasse 6				149	125
Stuttgart, Kronprinzstrasse 8	95	94	52	58	63
Stuttgart, Bollwerk	153	159	122	130	122
Mannheim, Augustaanlage	0	113	105	104	106
Branches and other administrative buildings	185	143	148	127	142
Stuttgart, Kleiner Schlossplatz	139	160	129	149	103
Stuttgart, Tübinger Strasse	No data	No data	No data	No data	No data
Weighted average	160	129	130	131¹	127

¹ The figure published in the 2008/2009 Sustainability Report was not correct (was too high) because it did not include the entire area of the headquarters building in Mainz. This figure has since been adjusted.

Heating Energy Usage in Absolute and Relative (by Area) Figures

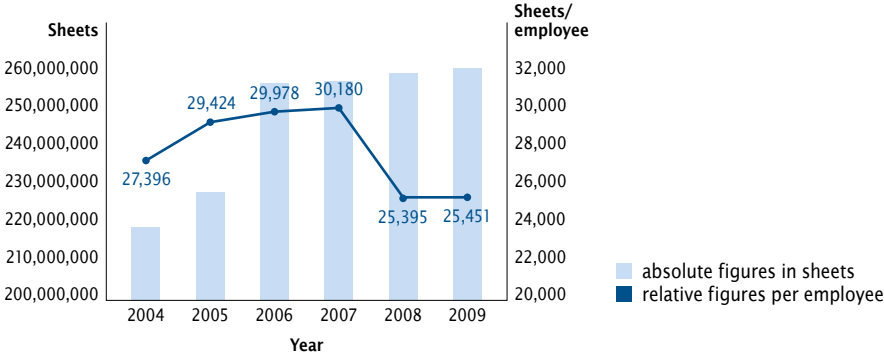


Heating Energy Usage in kWh and per Employee

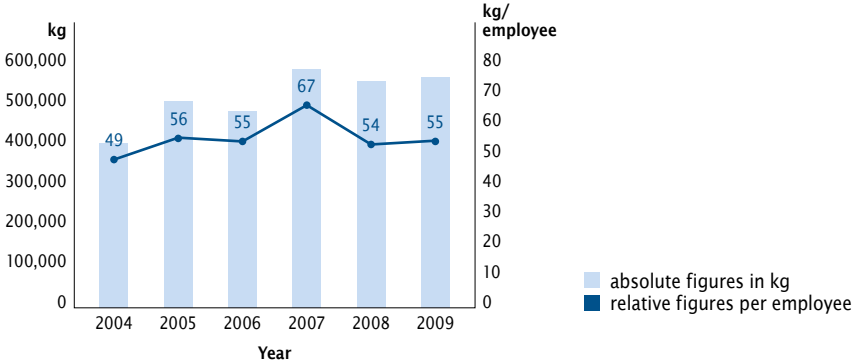


Paper Consumption

Office Paper in Sheets and per Employee



Printed Advertising Matter in Absolute and Relative (per Employee) Figures

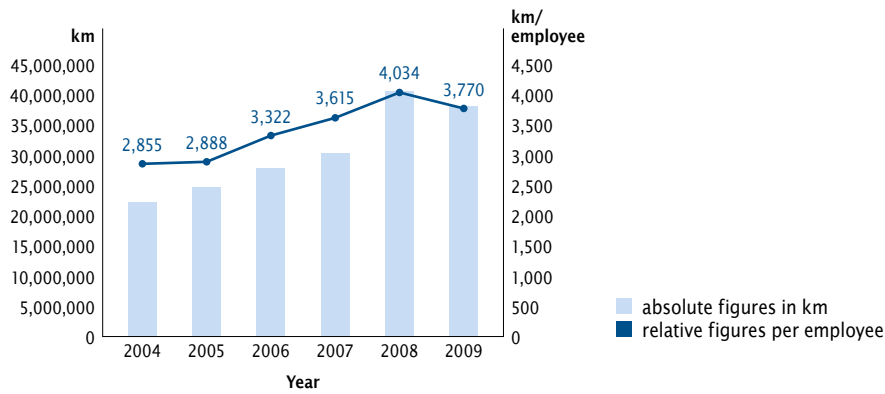


Recycling Rate for Copy Paper

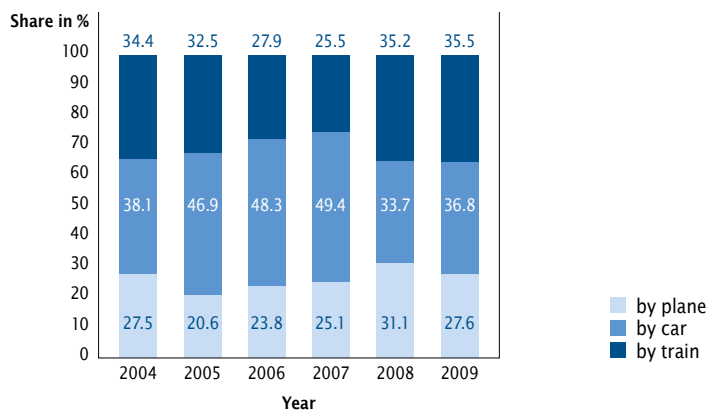


Transportation

Business Travel in Absolute and Relative (per Employee) Figures

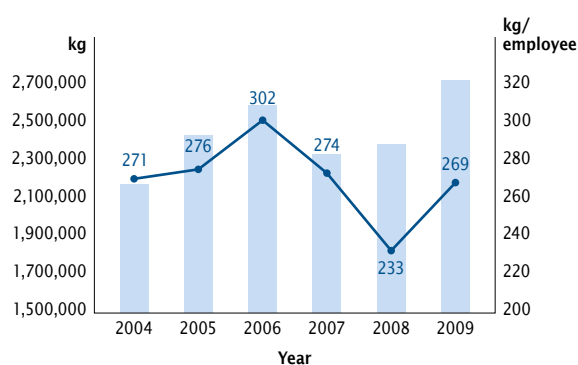


Kilometers Traveled by Type of Transportation



Waste

Waste Volume in Absolute and Relative (per Employee) Figures



- absolute figures in kg
- relative figures per employee

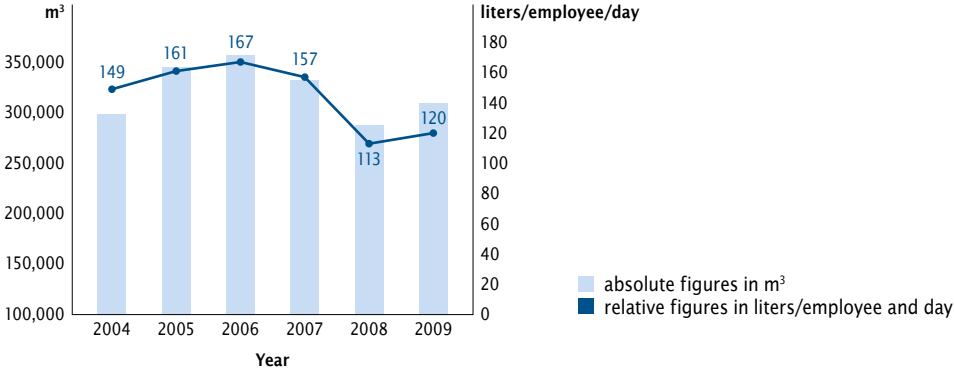
Waste Volume in 2009	kg
Non-hazardous	2,670,071
Regular paper (15 01 01N)	516,492
Security paper (15 01 01)	1,199,633
Glass (20 01 02)	33,052
Metal (15 01 04)	18,735
Plastic (15 01 02)	8
Wood (17 02 01)	142,624
Compostable waste (20 02 01)	35,322
Organic kitchen waste (20 01 08)	153,699
Edible oils/fats (20 01 25)	0
Electronic scrap (16 02 14)	38,082
Mixed materials (15 01 06)	93,816
Non-recyclable waste (20 03 01)	224,046
Security plastics (15 01 02)	29,837
Sludges/grease separators (02 02 04)	184,725
Hazardous waste	79,046
Other hazardous waste	449
Lead batteries (16 06 01)	0
Insulation materials (17 06 03)	0
Fluorescent tubes (20 01 21)	1,339
Monitors, battery-operated devices (16 02 13)	73,903
Electronic scrap (20 01 35)	3,273
Fixers and developers (09 01 01)	30
Fixers and developers (09 01 04)	35
Gear/lubricating oils (13 02 05)	17
Total	2,749,117

Waste Volume (Including Recyclables) of the Validated Sites (in kg)

	2004	2005	2006	2007	2008		2009	
					Absolute figures	Kg/ employee	Absolute figures	Kg/ employee
Am Hauptbahnhof 2	413,200	464,000	527,700	459,900	384,400	151	541,517	201
Pariser Platz	104,500	104,400	222,000	370,500	224,800	Hbf and PP are calculated together	282,937	Hbf and PP are calculated together
Bollwerk	118,200	72,300	94,400	94,700	87,400	256	70,365	195
Königstrasse	148,100	132,400	60,600	45,500	27,300	217	32,292	271
Kleiner Schlossplatz including Kronprinzstrasse	121,000	71,600	177,000	175,000	332,600	431	295,462	294
Mannheim	74,600	142,000	76,500	98,600	100,700	260	52,538	134

Water Usage

Water Usage in Absolute and Relative (per Employee) Figures



GRI Content Index G3 including FSSS.

GRI G3	Report element	Page(s)
1	Strategy and analysis	
1.1	Vision and strategy	7, 10-21
1.2	Sustainability impacts, risks, and opportunities	40-42, 44-51, 75
2	Organizational profile	
2.1	Name of organization	8
2.2	Brands, products, and services	8
2.3	Organizational structure	8
2.4	Organization's headquarters	8
2.5	Countries in which the organization operates	8
2.6	Nature of ownership, legal form	8
2.7	Markets	8
2.8	Scale of the organization	8
2.9	Significant changes in size, structure ownership	8
2.10	Prices	32-33, 45-47
3	Report parameters	
3.1	Reporting period	4
3.2	Date of most recent previous report	4
3.3	Reporting cycle	4
3.4	Contacts	127
3.5	Process for defining report content	4
3.6	Boundary of the report	34-35
3.7	Limitations of the scope or boundary of the report	34-35
3.8	Basis for reporting on joint ventures, etc.	34-35
3.9	Data measurement techniques and the bases of calculations	34-35, 78
3.10	Explanation of the effect of any restatements of information provided in earlier reports	78
3.11	Significant changes in the scope, boundary, or measurement methods applied	34-35, 78
3.12	GRI index	116-118
3.13	External assurance	119-120
4	Governance, commitments, and engagement	
4.1	Governance structure of the organization	8
4.2	Chairman of the Board of Managing Directors/ Executive Officers	8
4.3	Independent members of the highest governance body	N/R*
4.4	Mechanisms for recommendations or direction to the Board of Managing Directors/Supervisory Board	69
4.5	Linkage between compensation for members of the highest governance body and the organization's sustainability performance	39
4.6	Processes in place to ensure conflicts of interest are avoided	37-38
4.7	Process for determining the qualifications and expertise of the members of the highest governance body with regard to sustainability issues	17
4.8	Mission statements, internally developed codes of conduct and principles; type and manner of implementation	10-17, 34-39
4.9	Procedures of the Board of Managing Directors for overseeing the organization's sustainability performance	17
4.10	Process for evaluating the Board of Managing Directors' sustainability performance	32-33
4.11	Precautionary principle	44-51, 84-85, 89-90
4.12	Charters, principles, or externally developed initiatives	33, 39

GRI G3	Report element	Page(s)
4.13	Memberships	33
4.14	Stakeholder groups	30-31
4.15	Selection of stakeholders	30-31
4.16	Stakeholder engagement	30-31
4.17	Response to key concerns of stakeholders	31
5	Management approach and performance indicators	
5.1	Products and services	
	Aspect: Portfolio	
FS1	Policies with specific environmental and social components applied to business lines	12-17
FS2	Procedures for assessing and screening environmental and social risks in business lines	49-50
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	36-37, 49-50
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	30, 60-62
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	30-31
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro /SME / large), and by sector	51
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	48, 51, 73-74
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	48, 51, 73-74
	Aspect: Audit	
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	34-35
	Aspect: Active investment	
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	N/A
FS11	Percentage of assets subject to positive and negative environmental or social screening	48
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting	N/A
5.2	Economic	
DMA	Management approach to economic performance, market presence and indirect economic impacts	7, 10-12, 17
	Aspect: Economic performance indicators	
EC1	Economic value generated and distributed	8, 73-74
EC2	Financial implications of climate change	12-17, 75
EC3	Scope of organization's social benefits	67
EC4	Financial assistance from the public sector	N/A
	Aspect: Market presence	
EC5	Ratio of standard entry level wage to local minimum wage	65
EC6	Local selection of suppliers	36
EC7	Local hiring	N/R

N/A: No information provided / N/R: Not relevant

*Since LBBW has a Supervisory Board.

GRI G3	Report element	Page(s)
	Aspect: Indirect economic impacts	
EC8	Infrastructure investments and services provided primarily for public benefit	70–74
EC9	Significant indirect economic impacts	N/A
5.3	Ecological performance indicators	
DMA	Management approach disclosure for aspects mentioned below	10–21, 34–35
	Aspect: Materials	
EN1	Materials used by weight or volume	78–81
EN2	Percentage of total materials used that are recycled input materials	91
	Aspect: Energy	
EN3	Direct energy consumption (by primary energy source)	N/A
EN4	Indirect energy consumption (by primary energy source)	78–82, 85–89
EN5	Energy saved due to conservation and efficiency improvements	84–85, 89–90
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	N/R
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	84–85, 89–90
	Aspect: Water	
EN8	Total water withdrawal by source	78–81
EN9	Water sources significantly affected by withdrawal of water	N/A
EN10	Percentage and total volume of water recycled and reused	N/A
	Aspect: Biodiversity	
EN11	Land in or adjacent to protected areas	N/A
EN12	Impact of activities on biodiversity in protected areas	N/A
EN13	Natural habitats protected or restored	N/A
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	96
EN15	Endangered species	N/A
	Aspect: Emissions, waste, and waste water	
EN16	Direct and indirect greenhouse gas emissions by weight	78–81, 83
EN17	Other greenhouse gas emissions	N/A
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	83
EN19	Ozone-depleting substances by weight	N/A
EN20	NO _x , SO _x and other air emissions by type and weight	84
EN21	Water discharge into bodies of water	N/A
EN22	Weight of waste by type and disposal method	94–95
EN23	Significant spills	N/A
EN24	Waste deemed hazardous under the terms of the Basel Convention	N/A
EN25	Impact of waste water on biodiversity	N/A
	Aspect: Products and services	
EN26	Initiatives to mitigate environmental impacts of products and services	N/A
EN27	Percentage of products whose packaging materials are reclaimed	N/R

GRI G3	Report element	Page(s)
	Aspect: Compliance with legal provisions	
EN28	Fines for non-compliance with environmental laws	37
	Aspect: Transport	
EN29	Significant environmental impacts of transporting products, other goods and materials, and employees	92–93
	Aspect: Total	
EN30	Total environmental protection expenditures	N/A
5.4	Society	
	5.4.1 Labor practices and acceptable working conditions	
DMA	Management approach disclosure regarding employment, employer-employee relationship, working safety (in banks e.g. attacks against personnel by customers, bank robberies), training and continuing education, diversity and equal opportunities	59–62
	Aspect: Employment	
LA1	Workforce by employment type and region	57–58
LA2	Employee turnover by age group, gender, and region	59, 98–100
LA3	Benefits provided to full-time employees	N/A
	Aspect: Employer-employee relationship	
LA4	Percentage of employees covered by collective bargaining agreements	65
LA5	Minimum notice period(s) regarding significant operational changes	N/A
	Aspect: Working safety	
LA6	Employees represented in health and safety committees	59
LA7	Injuries, occupational diseases, absences, and fatalities	59
LA8	Measures relating to serious diseases	59–60
LA9	Health and safety topics: formal agreement with trade unions	N/A
	Aspect: Training and continuing education	
LA10	Training and continuing education: Hours per employee by employee category	60–62, 98–100
LA11	Programs for skills management and lifelong learning	60–62
LA12	Percentage of employees receiving regular performance and career development reviews	62
	Aspect: Diversity and equal opportunities	
LA13	Diversity of top-level management and employee structure (gender/age/ethnicity)	62–66
LA14	Salary by gender and employee category	65, 100
5.4.2	Human rights	
DMA	Management approach disclosure regarding investment and procurement practices, equal treatment, freedom of association and right to collective bargaining, child labor, forced and compulsory labor, security practices, rights of indigenous peoples	35–37, 62–66, 69

N/A: No information provided / N/R: Not relevant

GRI G3	Report element	Page(s)
	Aspect: Investment and procurement practices	
HR1	Investment agreements that include human rights clauses or that have undergone human rights screening	N/A
HR2	Percentage of suppliers that have undergone screening on human rights	35-37
HR3	Training on human rights	N/A
	Aspect: Equal treatment	
HR4	Incidents of discrimination and measures implemented	63
	Aspect: Freedom of association/ collective bargaining	
HR5	Freedom of association and collective bargaining	69
	Aspect: Child labor	
HR6	Principles and measures taken to prevent child labor	35-37, 44
	Aspect: Forced labor	
HR7	Principles and measures taken to prevent forced labor	35-37
	Aspect: Security practices	
HR8	Training of security personnel	N/A
	Aspect: Rights of indigenous peoples	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	N/R
5.4.3	Society	
DMA	Management approach disclosure regarding community, corruption, politics, anti-competitive behavior and compliance with laws	37-39
	Aspect: Community	
SO1	Programs and practices that manage the adverse impacts of operations on communities	N/A
FS13	Access points in low-population or economically disadvantaged areas by type	8
FS14	Initiatives to improve access to financial services for disadvantaged people	N/A
	Aspect: Corruption	
SO2	Percentage and total number of business units analyzed for risks related to corruption	N/A
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	N/A
SO4	Actions taken in response to incidents of corruption	37
	Aspect: Politics	
SO5	Public policy positions and participation in public policy development and lobbying	N/A
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions	N/A
	Aspect: Anti-competitive behavior	
SO7	Legal actions for anti-competitive behavior	34
	Aspect: Compliance with laws	
SO8	Sanctions for incidents of non-compliance with laws and regulations	34, 37

GRI G3	Report element	Page(s)
5.5	Product responsibility	
DMA	Management approach disclosure regarding customer health and safety, labeling of products and services, advertising, protection of customer data and compliance with legislation	34, 38
	Aspect: Customer health and safety	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed	N/R
PR2	Incidents of non-compliance with health standards	N/R
	Aspect: Labeling of products and services	
FS15	Policies for the fair design and sale of financial products and services	34, 46
PR3	Principles/procedures for product labeling	N/A
PR4	Incidents of non-compliance with standards concerning product information and labeling	N/A
PR5	Customer satisfaction, including results of surveys	53-54
FS16	Initiatives to enhance financial literacy by type of beneficiary	31
	Aspect: Advertising	
PR6	Programs for adherence to laws, standards, and voluntary codes related to advertising	34
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing and advertising	34
	Aspect: Protection of customer data	
PR8	Complaints regarding breaches of customer privacy and losses of customer data	38
	Aspect: Compliance with legislation	
PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	N/A

N/A: No information provided / N/R: Not relevant

LBBW engaged AGIMUS GmbH Umweltgutachterorganisation und Beratungsgesellschaft to review the Sustainability Report 2010 with 2010 Updated Environmental Statement in terms of materiality, transparency, and comparability and to audit the management system in accordance with ISO 14001 and EMAS. We evaluated the effectiveness of the management systems, conducted an extensive audit on site and additional phone interviews, and performed a review based on the inspection of documents and interviews.

Management Systems

Compared to the Sustainability Report 2007/2008, the Report indicates that progress has been made. The management systems of the various functions are presented effectively. LBBW's activities as part of the UNEP Finance Initiative, the stakeholder dialogues, and adherence to the Principles for Responsible Investment indicate a clear voluntary commitment. Above all, the Guidelines for Sustainability provide assurance of the integration of sustainability criteria into the core business processes of the Bank. We recommend further integration, particularly the introduction of systems for detailed documentation of key performance indicators (KPI) to measure success in the implementation of the Guidelines.

Our recommendation to communicate the question "Why does the Bank undertake sustainability management activities?" to the workforce in a more concrete way remains unchanged. Also still in effect is the recommendation that the specific life experiences of individual employees be tied in more explicitly with sustainability management.

The Sustainability Program is detailed and comprehensive. The introduction of new measures – particularly with regard to banking products and the Bank's environment – indicates that LBBW is addressing stakeholder concerns. We again recommend anticipating existing conflicts of interest between short-term business success and sustainability criteria in implementing the Guidelines. Furthermore, we recommend reporting on goals extending over several years in a clearer and more quantitative way as well as focusing more specifically on KPI going forward.

Environmental Verifier's Declaration on Verification and Validation Activities at LBBW (Pursuant to Annex VII of EMAS III)

Dr. Ralf Utermöhlen, with EMAS environmental verifier registration number DE-V-0080, licensed for Banking (NACE Code WZ [German Classification of Economic Activities] 2008: 64.19) declares to have verified whether the LBBW sites in Stuttgart, Germany, consisting of the following buildings:

Am Hauptbahnhof 2 (Bldg. 1), 70173 Stuttgart
Am Hauptbahnhof 7+9 (Bldg. 2), 70173 Stuttgart
Am Hauptbahnhof 11 (Bldg. 3), 70173 Stuttgart
Am Hauptbahnhof 8 (Bldg. 4), 70173 Stuttgart
Pariser Platz 1 (Bldg. 5), 70173 Stuttgart
Pariser Platz 1 (Bldg. 6), 70173 Stuttgart
Königstrasse 3, 70173 Stuttgart
Fritz-Elsas-Strasse 31 (Bollwerk), 70173 Stuttgart
Kleiner Schlossplatz 11, 70173 Stuttgart

and Augustaanlage 33, 68161 Mannheim, meet all requirements of Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a community Eco-Management and Audit Scheme (EMAS).

By signing this declaration, I declare that

- the verification and validation have been carried out in full compliance with the requirements of Regulation (EC) No 1221/2009,
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment,
- the data and information of the Environmental Statement of the sites reflect a reliable, credible, and correct image of all the sites' activities within the scope mentioned in the Environmental Statement.

This document is not equivalent to EMAS registration. EMAS registration can only be granted by a Competent Body under Regulation (EC) No 1221/2009.

This document shall not be used as a stand-alone piece of public communication.

Materiality & Transparency

The dialogues conducted in 2007 and 2008 laid the groundwork for identifying the issues that are important to LBBW's stakeholders; the results have been incorporated into the Guidelines for Sustainability. Whereas the Report covers most sustainability issues, we recommend that more information be included about the issue of equitable treatment of people in less developed countries (microfinance activities) and the expansion of the activities addressing equal opportunity and diversity that are already underway, and that these issues be promoted further.

Whereas compliance guidelines and control mechanisms are presented well, there is still a lack of quantitative data, such as the number of business units that were investigated for corruption risks (beyond just money laundering and application of the dual-control principle in awarding contracts) and the percentage of employees who were trained in anti-corruption issues. LBBW's commitment to integrating sustainability into its core business is gratifying, but could still be expanded. For some of the business segments (renewable energy project financing, loan decisions, investment products), the environmental and social risks, as well as LBBW's management systems in this area, are presented well. For other areas of the core business (microfinance, financing of projects other than renewable energy projects), statements on this subject should be added in the future as well. Case studies would be a valuable addition to future reports.

The Report contains a good description of upper management's voluntary commitment to complying with the sustainability policy and the human resources development opportunities with respect to sustainability, which indicates a high level of corporate ethics and transparency in terms of value creation in LBBW's domestic business. The reporting on regional issues is excellent (principal bank concept), but it is limited with regard to the lending business in developing countries with a high risk of corruption and the relevant control mechanisms (e.g. human rights clauses in investment agreements). We recommend the corresponding tools be implemented.

Comparability

The application of the GRI indicators and the additional industry-specific criteria improve the comparability of the Report. The Report provides information on 29 core indicators and 13 indicators included in the Financial Services Sector Supplement; 20 core indicators are required for the application level aimed for by LBBW. This is evidence of LBBW's voluntary commitment to continual improvement and points to the fact that LBBW does not shy away from comparisons with other leading banks. The integration of the validated Environmental Statement into the Report is commendable, and the Report is generally informative and user friendly.

Braunschweig, Germany, November 3, 2010



Dr. Ralf Utermöhlen (Environmental Verifier, DE-V-0080)
AGIMUS GmbH Umweltgutachterorganisation
& Beratungsgesellschaft
(DE-V-0003)
Am Alten Bahnhof 6
38122 Braunschweig, Germany

■ A

Asset allocation

Asset allocation involves the distribution (diversification) of invested assets among various asset classes, such as bonds, stocks, real estate, and currencies. This approach serves to manage the total return and total risk of the investment. Diversification allows investors to minimize risk while achieving a certain return or to maximize the return on the investment at a specified level of risk.

■ B

Best-in-class

A systematic evaluation method involving selection only of companies that exhibit the best performance in their sectors in terms of a certain evaluation criterion. In structuring sustainable funds, this means that investments are only made in companies that are among the best in their industries based on ethical, social, and environmental criteria.

Biodiversity

Biodiversity means variability among living organisms and the complex ecological systems of which they are a part. This term spans three levels: (1) the diversity of ecosystems, habitats, and landscapes on earth, (2) species diversity, and (3) genetic diversity within a biological species or population. Preserving a high level of biodiversity is a key requirement for the continuation of life on earth.

“Bio” label

The “Bio” label (organic logo) identifies products and foods organically produced and inspected according to legal regulations in force across the European Union. It was introduced in 2001 to guarantee uniform standards for organic production and humane raising of animals. A state-certified logo, this label enables consumers to recognize organic products at a glance.

■ C

Carbon Disclosure Project (CDP)

The Carbon Disclosure Project (CDP) is an independent, non-profit organization that maintains the world’s largest database of corporate climate change information. Each year

on behalf of 475 institutional investors, the CDP encourages publicly traded companies worldwide to report their climate-related business data to the CDP. The CDP then provides this data to the capital markets and to the public. The goal is to ensure that CO₂ emissions are perceived to be an important business and success factor for companies. The CDP has operated in Germany since 2005, and almost all of the companies listed in the DAX30 index are participants in the CDP. The CDP’s strategic partners in Germany are KPMG AG Wirtschaftsprüfungsgesellschaft and WWF Deutschland.

Compliance

Compliance is defined as a commitment by a company to comply with laws, guidelines, and standards. Compliance with rules can be compulsory (e. g. in the case of laws) or voluntary (e. g. in the case of standards or societal conventions). Large corporations in particular often draw up their own, company-specific codes of conduct. The aim here is to avoid a negative image as well as to eliminate the possibility of the company being held liable or subject to claims for damages.

Corporate governance (CG)

The objective of corporate governance is to ensure independent, value- and success-focused management of companies. To this end, management defines criteria for decision-making and standards for conduct for individual units within a company. Corporate governance is therefore not an internationally uniform set of rules, but instead consists of country-specific (statutory and voluntary) and company-specific measures.

Corporate social responsibility (CSR)

Corporate social responsibility (CSR) describes the effort by companies to assume social responsibility voluntarily and beyond their statutory obligations. Corporate responsibility represents a business philosophy focused on transparency, ethical behavior, and respect for all of a company’s stakeholders. CSR therefore goes beyond purely social issues and includes the environmental and economic aspects of sustainability as well. For this reason, the broader term “corporate responsibility” is often used instead.

■ D

Diversity

In a corporate context, promoting diversity signifies respect and positive regard for the individual differences among employees. The goal is to prevent discrimination against minorities and promote equal opportunity, thereby creating a productive overall atmosphere in the company. On the one hand, the term “diversity” refers to external characteristics, such as sex, skin color, age, or disability, while on the other hand also referring to an individual’s orientation, e.g. religious or sexual. Companies hope that diversity in their workforces will put better problem-solving expertise at their disposal, make companies more attractive to new employees, and improve customer loyalty. Diversity management is often introduced in order to constructively leverage diversity for the good of the company.

■ E

Eco-Management and Audit Scheme (EMAS)

The EMAS Regulation is a voluntary regulation applicable to EU member states that aims to introduce environmental management and environmental audit systems. The objective of EMAS is to improve environmental performance beyond what is required by the law and to inform the public about these efforts. EMAS was launched by the European Union in 1993.

Environmental, social und corporate governance issues (ESG)

ESG issues are issues related to the environment, society, or corporate governance. The term was coined by financial analysts and investors as an alternative to the term corporate social responsibility (see entry). The objective here is to include environmental, social, and corporate responsibility aspects along with financial data when evaluating companies.

Ethibel

Independent consulting firm specializing in sustainable and ethical investments based in Brussels, Belgium. Assists banks and investment firms in developing sustainable investment products. Ethibel issues its own European quality label for sustainable investment funds for this purpose. The criteria for the social and ethical corporate analysis on which the

investments funds bearing the Ethibel quality seal are based covers all aspects of corporate social responsibility.

Ethibel Pioneer and Excellence Register

Forum Ethibel manages two investment registers, Ethibel Pioneer and the Ethibel Excellence Register, which are the basis for issuing the Ethibel quality seal for sustainable investment funds. This label offers investors a visible guarantee that these investment funds invest solely in companies selected based on Ethibel’s comprehensive evaluation model. In compiling these investment registers, Ethibel chooses only companies that are leaders within their industries in sustainability (Excellence) or are pioneers in the field of sustainability (Pioneer).

EURO STOXX Sustainability Index

The EURO STOXX Sustainability Index is part of the Dow Jones family of sustainability indexes (Dow Jones Sustainability Indexes, or DJSI), which take into account environmental and social as well as financial criteria. The EURO STOXX Sustainability Index includes the top 20% of publicly listed companies in the European Union measured according to sustainability factors.

European SRI (Sustainable and Responsible Investing) Transparency Code

The European SRI Transparency Code was launched by the European Sustainable and Responsible Investment Forum (see entry). Signatories to the Code agree to answer a list of questions to provide sufficient and appropriate information for the Code’s purposes, including investment criteria, research processes, procedures for liquidating certain investments for sustainability reasons, and information policy. Funds that fulfill the conditions of the Code are permitted to use the “European transparency logo” (see entry).

European Sustainable and Responsible Investment Forum (Eurosif)

The European Sustainable and Responsible Investment Forum (Eurosif) is a pan-European association that aims to promote sustainable investments. Its members currently include pension funds, financial services providers, scientific institutions, research firms, and non-governmental organizations. Eurosif’s members represent assets totaling over EUR 600 billion.

European transparency logo

The European transparency logo indicates to investors that the fund bearing this symbol complies with the European SRI Transparency Code (see entry). The logo is issued by the European Sustainable and Responsible Investment Forum (see entry) and is awarded for particularly transparent management of sustainable funds. To date, the transparency logo is the only quality seal offering consumers guidance in selecting sustainable funds.

■ F

Fair trade

Fair trade is a strategy for fighting poverty. The idea is that more equitable trade relationships and fair purchase prices can improve the situation in developing countries and emerging markets, strengthen the domestic economy, and in the long term dismantle unjust global economic structures. Moreover, globally accepted social and environmental standards must be complied with in fair trade; illegal child labor and forced labor are forbidden. The fair trade logo clearly identifies fairly traded products for consumers.

Financial Stability Board (FSB)

The Financial Stability Board (FSB), which emerged from the former Financial Stability Forum (FSF), is a global body composed of high-level representatives from ministries of finance, central banks, and supervisory authorities of the G20 countries, Spain, and the European Commission, and of representatives from international standard-setting bodies and important financial institutions (including the International Monetary Fund, the World Bank, the Bank for International Settlements, the European Central Bank). The FSB is a forum for discussing issues of underlying systemic importance for financial stability. The former Financial Stability Forum (FSF) was founded in 1999 on recommendation by Hans Tietmeyer (former President of the German Bundesbank).

Forest Stewardship Council (FSC)

The FSC is an international non-profit organization and certification system for sustainable forest management. The organization has defined forest management criteria as well as criteria for the entire wood product processing and commerce chain. Certified businesses can label and market products (wood, furniture, paper, etc.) with the FSC logo.

Fraud Prevention Board

The Fraud Prevention Board works autonomously to review the Bank's business processes for balance sheet tampering, breaches of fiduciary duty, embezzlement, and all other actions committed intentionally that harm the Bank. In addition to uncovering and reacting appropriately to such incidents, the Board's main activities include prevention in particular.

FTE

Full-time equivalent, i. e. the number of full-time employees and part-time employees expressed as full-time employees.

■ G

GEMIS – Global Emission Model for Integrated Systems

A tool for the comparative analysis of the environmental effects of energy supply and use. GEMIS was developed by the Öko-Institut (Institute for Applied Ecology) and Gesamthochschule Kassel (GhK) from 1987 to 1989. Since then, GEMIS has been continually developed and updated with various partners. The Institute for Applied Ecology (Institut für angewandte Ökologie e. V.) is an independent, non-profit environmental research institute headquartered in Freiburg with offices in Darmstadt and Berlin.

German Corporate Governance Code (DCGK – Deutscher Corporate Governance Kodex)

The German Corporate Governance Code comprises key statutory regulations on the management and supervision of German publicly traded companies and includes internationally and nationally accepted standards for good and responsible corporate governance. The aim of the Code is to help make the management of publicly listed companies in Germany transparent and accountable, thereby promoting confidence by German and international investors, customers, employees, and the public in the management of German companies, and strengthening the German capital market.

Global Reporting Initiative (GRI)

The Global Reporting Initiative is an independent institution operating worldwide that develops internationally accepted standards for sustainability assessment and reporting. GRI was formed in 1997 in cooperation with the United Nations Environment Programme (UNEP). GRI is also partnered with

the UN Global Compact, an initiative by former UN General Secretary Kofi Annan aiming to ensure that globalization develops in a socially and environmentally sustainable manner. In addition, GRI is a globally active stakeholder network that works with numerous companies and human rights, environmental, labor, and governmental organizations.

■ H

Human Potential Index (HPI)

The Human Potential Index (HPI) is a rating tool for evaluating suitable structures and tools for fostering human capital in companies. HPI enables interested companies to view their HR processes and structures holistically based on external benchmarks and review the effectiveness of their tools based on their company's business success. Among other things, the index measures management methods, motivation models, the promotion of health, and internal communications. The HPI was developed on behalf of Germany's Bundesanstalt für Arbeitsschutz und Arbeitsmedizin (Federal Institute for Occupational Safety and Health) to ensure the viability and competitiveness of companies for the future by improving qualitative human resources-oriented criteria.

■ I

Institute for Ecological Economy Research (IÖW)

Headquartered in Berlin, the Institute for Ecological Economy Research is an independent, non-profit institute specializing in applied sustainability research. The Institute develops strategies and courses of action for sustainable business. For 15 years now, the IÖW and the "future e.V. - verantwortung unternehmen" corporate initiative have been reviewing sustainability reports by Germany's 150 largest companies every two years. Based on a comprehensive list of criteria, the Institute and future e.V. evaluate the companies according to their environmental, human resources, and business goals, their communication of sustainability issues, and the transparency and comprehensibility of their reporting. Umbrella issues such as sustainability strategy and management are also considered in the assessment.

International Labour Organization (ILO)

The International Labour Organization is a specialized agency of the United Nations based in Geneva, Switzerland. The ILO

was established in 1919, and its members include 183 states that are represented in the ILO's committees by government delegates as well as employers and workers. The ILO's work focuses on formulating and implementing international labor and social standards, particularly the ILO International Labour Standards, ensuring socially acceptable and fair globalization practices, and creating humane work as a central criterion for battling poverty.

ISO 14001

The ISO 14001 environmental management standard specifies requirements for environmental management systems that are accepted worldwide and is part of the family of standards issued by the International Organization for Standardization. ISO 14001 has been in force since 1996. In 2005, a revised version was published as a German DIN standard. This set of standards contains numerous other standards governing various aspects of environmental management, including environmental balance sheets, environmental performance indicators, and environmental performance assessment.

■ N

Non-governmental organization (NGO)

An NGO is basically any association or organization that operates autonomously and independently of governmental or partisan institutions and promotes social, environmental, and economic interests on a non-profit basis.

■ O

oekom research AG

oekom research is a well-known rating firm focusing on environmental and social corporate responsibility. Its customers include international asset managers and institutional investors. oekom research's analyses cover assets under management of approximately EUR 90 billion (as of December 31, 2009).

■ P

pme Familienservice

pme Familienservice is a provider of around-the-clock back-up services for childcare and eldercare in the event of emergencies and exceptional circumstances.

In addition to its own care facilities, the company dispatches trained childcare providers as well as personnel to care for the elderly and sick. pme Familienservice provides services in many locations across Germany and in Austria, the Czech Republic, and Switzerland, signing contracts with companies that can use its services and network on an as-needed basis.

Principles for Responsible Investment (PRI)

PRI was founded on the initiative of former UN General Secretary Kofi Annan under the auspices of UNEP FI (United Nations Environmental Programme Finance Initiative) and the UN Global Compact with cooperation from numerous institutional investors, investment companies, and providers of professional investment services. It was officially adopted in April 2006. PRI's work is based on the premise that (Environmental, Social, Governance) issues can influence the return generated by an investment portfolio (to varying degrees depending on the company, sector, region, asset class, and various investment horizons).

Programme for the Endorsement of Forest Certification Schemes (PEFC)

PEFC is a certification system for the sustainable management of forests that defines minimum requirements and standards that must be met at the national or regional levels by certified forestry, processing, and commercial businesses in this field. Wood and wood products that fulfill PEFC requirements can be labeled with the PEFC seal.

■ R

Reputational risks

Reputational risks are all risks that could contribute to harming the reputation of a company. These include, for example, poor treatment of the workforce, environmental transgressions coming to light, and fraud or corruption cases involving management. Reputational risks adversely affect the Bank through actions and reactions of stakeholder groups and, as a result, lead to financial losses. As a rule, reputational risks are addressed by risk management, which is tasked with defining, identifying, measuring, and managing risks, including reputational risks, in a systematic process.

Rules of Conduct of the Deutscher Werberat (German Advertising Council)

The Rules of Conduct of the German Advertising Council are voluntary rules of conduct that aim to support honest and fair competition in areas particularly relevant to society. These include guidelines for advertising involving children or political figures, advertisements featuring alcoholic beverages, and rules concerning defamation and discrimination. The German Advertising Council was founded by ZAW (Zentralverband der deutschen Werbewirtschaft e. V.), the central organization for the German advertising industry, in 1972 as a voluntary control board. The Council works to reconcile conflicts between members of the general public bringing complaints and the companies issuing the ads.

■ S

Screening (positive and negative)

Screening is a systematic testing process that is used to identify certain characteristics of the subjects being reviewed. In terms of sustainability, screening is used in structuring sustainable funds in particular. A distinction is generally drawn between positive and negative screening processes. In positive screening, attributes are defined that the subject of the review must fulfill in order to be selected. In contrast, negative screening involves formulating exclusion criteria and specific attributes, industries, or business practices that result in exclusion from the beginning of the process.

Socially responsible investment (SRI)

Socially responsible investment (SRI) describes a particular form of investment that aims to promote corporate responsibility. Investors following SRI principles take into account the effects of their investment decisions on the environment and society, instead of just looking at the financial aspects. In this way, companies are incentivized to consider sustainability issues, such as environmental protection, product responsibility, and human rights, as part of their business activities. Some SRI investors also categorically exclude investments in certain business segments, including alcohol, tobacco, gambling, weapons or the defense industry, and abortion.

Sustainalytics

Sustainalytics was established in 2008 in a merger between three European sustainability rating firms (including scoris GmbH). Thanks to the merger with Jantzi Research Inc., Sustainalytics now also operates in North America.

■ T

Transparency International e.V. (TI)

Transparency International is a politically independent, non-profit NGO that has been fighting corruption worldwide since 1993. In Germany, the organization is headquartered in Berlin. TI promotes increased transparency and independent controls to stop corruption, and initiates and supports dialogue between the relevant actors, such as the media, corporations, and governments. Moreover, TI also supports other organizations in their investigative work, but does not itself conduct investigations into individual cases of corruption. TI additionally publishes a Corruption Perception Index each year based on surveys to reflect perceived corruption in politics and public administration in 180 countries.

■ U

United Nations Environment Programme (UNEP)

The United Nations Environment Programme, which was established in 1972, is headquartered in Nairobi and initiates projects around the globe aimed at environmental protection and sustainable development. The Programme's mission is to be the "voice of the environment" at the United Nations.

United Nations Environment Programme Finance Initiative (UNEP FI)

UNEP FI is a global public-private partnership between UNEP (see entry) and numerous financial institutions all over the world. UNEP FI aims to integrate environmental and sustainability issues into all levels of companies in the financial sector. By signing a UNEP FI statement, a financial services company commits to the mission of sustainable development as a vital corporate responsibility and integral part of its responsibility to society. Moreover, companies also agree to other requirements, such as updating the methods they use regularly in order to adequately address relevant developments in environmental management.

■ V

Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e.V. (Association for Environmental Management in Banks, Savings Banks, and Insurance Companies) (VfU)

Founded in 1994, the VfU's goal is to offer financial services providers who take responsibility for sustainable, environmentally appropriate development a professional forum for discussing and exchanging information concerning these issues and to develop new strategies and suitable tools for the practical implementation of sustainable development requirements. The VfU organizes issue-specific expert round tables and is the only European association specializing in the environmental management issues faced by financial services providers.

vigeo group

vigeo group is one of the leading sustainability rating firms in Europe. It evaluates the CSR performance of companies with regard to environmental, social, and governance criteria. vigeo group's clients include asset managers and institutional investors from France, Belgium, the Netherlands, the UK, Switzerland, Italy, and Germany.

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