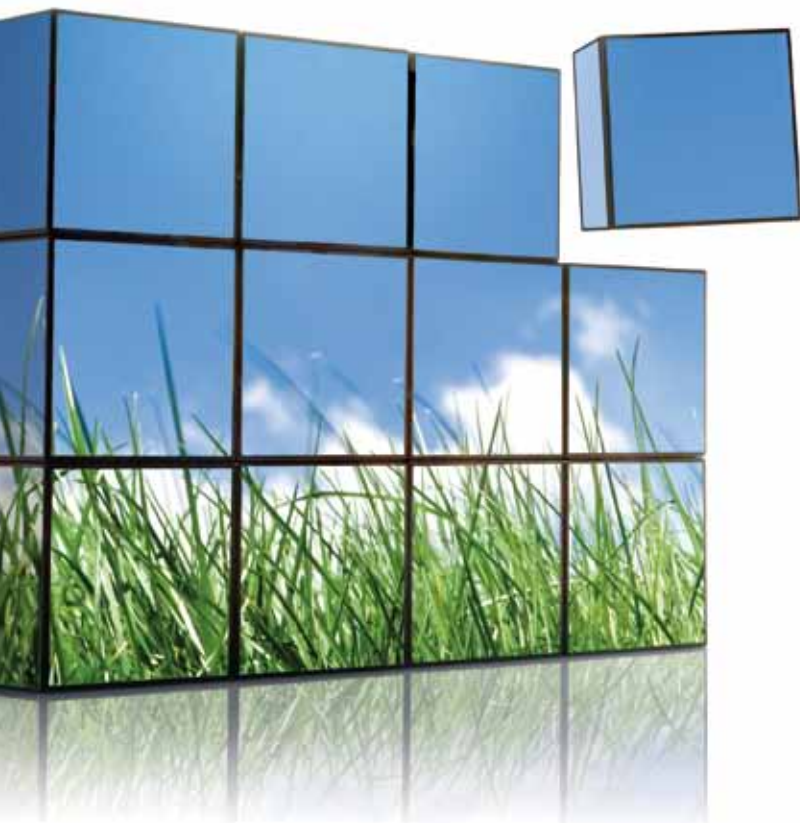


Sustainability Report.

Status 2011



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Foreword

Dear reader,

In the past 18 months, the situation in the banking sector failed to ease due to the after-effects of the financial crisis and the ongoing debt crisis in some countries. In spite of a robust upswing in Germany, the uncertainty about the future of the euro-zone and the long-term viability of public finance clearly influenced the public debate also in the German financial markets.

These past months have been very eventful also for WestLB, as the Bank is once again facing a comprehensive restructuring which will represent a major challenge for all parties involved. We therefore want to shape the change process in close cooperation with all stakeholders.

Over the past six years, we continuously expanded and refined our sustainability organisation. Today, WestLB has in place a set of consistent Bank-wide principles ensuring compliance with environmental and social standards, which are mandatory for all transactions. These principles were updated and refined in the reporting period. As one of the founding financial institutions of the Equator Principles, we carefully review project financings in terms of their environmental and social risks; other areas of our business activity are also systematically focused on to sustainability aspects.

At the same time, our sustainability management seizes the opportunities that arise from the challenges of sustainable development. All business units of WestLB therefore take sustainability-relevant issues into account in their business planning. Responsible financings in the energy sector and our sustainable investment products contribute to the transformation of society towards sustainability. Our approach to mainstreaming sustainability into all our business activities makes us a leader in the banking sector and has received widespread recognition.

The present report invites you to inform yourself about our sustainability management, the implementation of the Equator Principles as well as our commitment to the United Nations Global Compact. The report is complemented by a comprehensive balance sheet to GRI standards (Global Reporting Initiative), which is available on the Internet.

We wish you pleasant reading and look forward to communicating with you.



Dietrich Voigtländer
Chairman of the Managing Board

Company Profile

Headquartered in North Rhine-Westphalia, WestLB operates four business segments – “Verbundgeschäft” (joint business with the savings banks), Corporates & Structured Finance, Capital Markets and Transaction Banking – which offer a wide range of products and services. The Bank is owned by the Savings Banks and Giro Association of the Rhineland (25.032 percent), the Savings Banks Association of Westphalia-Lippe (25.032 percent), the State of North Rhine-Westphalia (17.766 percent), NRW.BANK (30.51 percent), Westfälisch-Lippische Vermögensverwaltungsgesellschaft (0.654 percent), and the two regional associations of the Rhineland (0.83 percent) and Westphalia-Lippe (0.176 percent).

As the central institution of the savings banks, WestLB acts as a link between the financial market and 119 savings banks serving a total of 11.5 million customers. WestLB provides solutions for traditional corporate finance, project finance, structured finance and capital market transactions for corporate and public-sector clients. As the leading German provider of project finance, we support our clients in complex energy and infrastructure projects. Another focus of our activity is on selected commodity finance markets, e.g. in structured commodity financing.

In accordance with the requirements imposed by the European Commission, WestLB is currently undergoing a comprehensive restructuring. In 2010, total assets were reduced by EUR 50.8 billion or 21 percent to EUR 191.5 billion through the transfer of non-strategic assets to Erste Abwicklungsanstalt and the sale of certain subsidiaries. As of December 31, 2010, the WestLB Group employed 4,473 full-time employees, 498 less than in the previous year.

In June 2011, the Bank’s owners and the Financial Market Stabilisation Agency (FMSA), Erste Abwicklungsanstalt (EAA) and WestLB agreed on a number of binding cornerstones of a final restructuring plan. According to this plan, the joint business with the savings banks (Verbundgeschäft) including the business with medium-sized corporate clients, which represent total assets of EUR 40–45 billion (risk assets of approx. EUR 8.3 billion)

and approx. 400 employees, will be transferred to a “Verbundbank”, which is to be established and capitalised by the Sparkassen-Finanzgruppe, and, if necessary, to another entity supported by the Sparkassen-Finanzgruppe with effect from June 30, 2012. This will be done by way of a spin-off in accordance with the German Transformation Act. In addition, WestLB may sell further activities by June 30, 2012. Activities that cannot be sold by this date will be taken over by EAA. During the transitional period, WestLB will continue to engage in new business in accordance with its respective business and risk strategies. Starting June 30, 2012, WestLB will act as a service and portfolio management bank and provide services to the “Verbundbank”, to EAA as well as to third parties. The European Commission has stated that it will take a decision in the state aid proceedings by autumn 2011.

Profit before income tax by segments 2009 and 2010

in EUR million	2009	2010
Verbund & Mittelstand	- 4	25
Corporates & Structured Finance	275	370
Capital Markets	341	64
Transaction Banking	1	- 6
Corporate Center	0	0
Other	- 475	- 7
WestLB Group total	- 503	- 133

Sustainability in the Core Business

WestLB's commitment to corporate responsibility forms part of its mission statement. Ever since the Bank started reporting on the structure of what was still a young sustainability management back in 2005, the internal structures and processes have evolved continuously, reflecting the high demands made by the Bank. As a pioneer in our industry, we maintain high environmental and social standards, which form the basis for all business activities. This way, WestLB contributes to sustainable development, thus strengthening the future viability of the business activities of the Bank and its clients.



Group-wide sustainability management

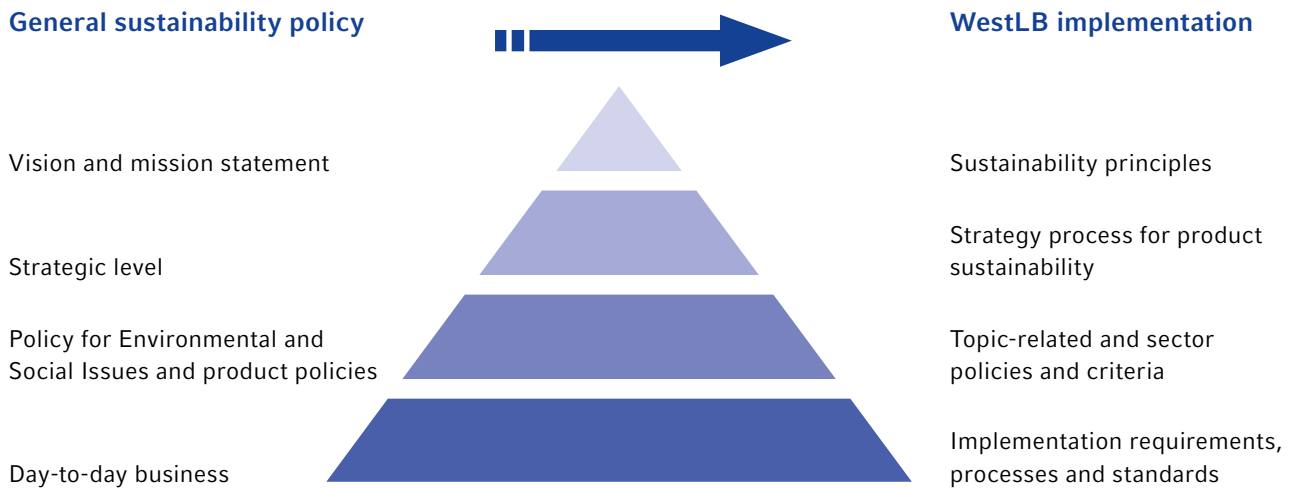
The Sustainability Management Department, which is part of the Group Development Business Unit, is the central organisation responsible for the ongoing development, implementation and control of WestLB's sustainability programme. In this function, it is involved in all sustainability-relevant business decisions such as the review and categorisation of project financings. The Department cooperates closely with the decentralised business units of the Bank. This integrated approach ensures that the sustainability activities are closely integrated with the market requirements and the responsibilities for the respective business activities.

The activities of the client and product units are additionally supported by sustainability managers at the international locations. The specialists who address reputational risks are also an integral element of the management of sustainability aspects in day-to-day business. The organisational structure is rounded off by the environmental management unit for operational sustainability.

Sustainability as a part of business planning

The Policy for Environmental and Social Issues forms the framework for our sustainability activities and has been mandatory for all business units and all new business since 2007. It is based on internationally accepted human and labour rights and environmental standards. In 2010, the Policy was revised in cooperation with the business units and with non-governmental organisations operating in the fields of environmental protection and development and finally approved and adopted by the Managing Board in April 2011. The revision focused on the updating of the underlying standards, the inclusion of a description of reputational management and of strategies for a critical and constructive dialogue with our clients to improve our sustainable business practice.

www.westlb.de/sustainability



Our commitment to international standards is also reflected in our memberships. WestLB is a signatory of the UN Global Compact and an active member of the Financial Institutions Initiative of the United Nations Environmental Programme (UNEP FI). As one of the founding financial institutions and member of the Steering Committee of the Equator Principles, WestLB has actively promoted the ongoing development of the Principles for many years. The Bank also plays a leading role in the "NGO Working Group" as well as in the "Climate Change Working Group" of the Equator Principles.

Starting 2011, the business units of WestLB have been obliged to consider sustainability-relevant issues in their business planning in a systematic and provable manner in order to identify opportunities that arise from the challenges of sustainable development at an early stage. As a result, WestLB now operates clear regulations for the integration of sustainability aspects at four levels. They range from the Bank's general sustainability principles to standards applicable to individual transactions in day-to-day business.

Identifying sustainability-relevant risks at an early stage

We have installed clearly defined processes for our lending activities to ensure compliance with our Policies. Responsibility rests with the front-office, whose implementation and controlling activities are supported

by Credit Risk Management and Sustainability Management. In the context of reputational risk management, all employees are obliged to report special reputational risks and potential reputational damage resulting from transactions; Sustainability Management is involved in the process, especially where environmental or social issues are concerned. Following an analysis, potential complementary measures or conditions are defined; it is even possible to discontinue a transaction altogether.

In 2010, the front-office and the back-office submitted a total of 139 financing transactions to the Sustainability Management Department for special review. Compared to the previous year, this represented an increase of 10 percent, which is attributable to the improved financial market environment and the international business activity of WestLB. This included 38 consultations, especially regarding reputational risks and technical questions relating to environmental and social standards, audit requirements or limits. Eight transactions received a negative vote from Sustainability Management due to the high reputational risks involved.

Systematic review of project financings

As a leading German project financier, WestLB attaches special importance to the systematic review of projects to be financed. Our business activities focus on the energy, infrastructure and commodity sectors. In accordance with the Equator Principles, project financings are classified in categories "high" (A), "medium" (B) and "low" (C) with regard to the potential risks and impacts of the projects.

In 2010, a total of 90 project financings were fully reviewed and categorised by Sustainability Management, which represented a strong increase of 64 percent on the year 2009. This is primarily attributable to growing activity of WestLB in the above sectors. At the same time, the Bank was able to increase the number of deals closed due to improved internal processes. Project financings accounted for 65 percent of all transactions addressed by Sustainability Management in 2010. One project financing in the infrastructure sector was rejected after having been reviewed by Sustainability Management.

Special attention has to be paid to Category A projects. As in the previous year, all of these projects related to the energy, infrastructure and commodity sectors in 2010. WestLB finances "A" projects only if they meet special requirements. Many projects in the renewable energy segment show, however, that an exposure in the energy sector does not necessarily entail a higher risk exposure; all these projects fell in the "B" and "C" categories in 2010.

In 2010, WestLB continued to assess environmental and social aspects of projects relatively conservatively and cautiously, which proved to be a successful approach. This explains the high percentage of Category A projects. For 46 percent of all project financings, Sustainability Management imposed conditions that went beyond

the actual requirements of the Equator Principles. Such conditions may be of an internal nature and relate to the provision of additional documents by the client, for example. They may also be of an external nature and relate to modifications or additions to the project.

Overview of reviewed financings/transactions

in EUR million	2008	2009	2010
Transactions involving advisory/ credit assessment services from Sustainability Management	188	124	139
Project financings in accordance with Equator Principles	76	55	90
Project financing (Category A)	16	20	31
Project financing (Category B)	36	27	41
Project financing (Category C)	24	8	18
Other, incl. reputational risks	112	69	49

Project financings by categories in 2010

Sector	Category A	Category B	Category C	Total
Energy	9	29	10	48
Infrastructure	18	11	8	37
Commodities	4	1	0	5
in %	34%	46%	20%	

Project financings by regions in 2010

Region	Category A	Category B	Category C
	Number/Percent	Number/Percent	Number/Percent
Europe	14/45	17/41	11/61
Eastern Europe	7/23	0/0	0/0
North America	2/6	7/17	6/33
South America	4/13	7/17	0/0
Asia/Pacific (APAC)	3/10	8/20	1/6
Middle East	1/3	1/2	0/0
Africa	0/0	1/2	0/0

Sustainability in corporate finance

In 2010, WestLB was part of a select group of Equator Principles signatories who initiated a project to test the application of the principles to other credit products, especially corporate financings. The process was examined for its feasibility for the corporate client business in a three-month test. Corporate financings were screened in accordance with the Equator Principles where their total amount exceeded EUR 10 million and at least 50 percent of the purposes for which the funds were raised were known.

During the test phase, WestLB analysed a total of 150 corporate financings. In 21 cases, the review was conducted on the basis of the Equator Principles. Three transactions were subjected to a more detailed review of environmental and social factors.

The results show that the contents of the Equator Principles are also relevant for corporate finance. In view of the relatively high number of financings that were not subjected to a more detailed examination based on the Equator Principles, it should be analysed, however, if and how the audit procedures for financings can be modified appropriately, e.g. in high-income countries or with regard to the respective purpose. It should also be noted that, in contrast to project financings, the time available for examining corporate financings is often very limited.

The insight gained will be used to refine the Bank's internal credit processes and will also be incorporated into the revision of the Equator Principles, which is scheduled to be completed in March 2012.

Pioneer in financing the change in the energy sector

As a leading bank financing projects in the energy sector, WestLB feels especially committed to pushing ahead the change towards a sustainability-oriented energy supply. This change requires high investments in the energy infrastructure, which must be made within a short period of time and must be aimed at achieving a balance between among others energy and food security and climate protection. Against this background, WestLB, in 2009, was the first large international bank to develop a "Policy



for Business Activities re Coal-Fired Power Generation" and to define a set of minimum standards. Several major banks followed this approach and defined similar minimum criteria. WestLB is currently in the process of revising its Policy. It is possible, for instance, that in countries where a project is to be financed, the per-capita greenhouse gas emissions are set in relation to the gross domestic product and the state of development. With a view to climate change and the state of development of a country, this would enable a more effective assessment as to which criteria should be applied in which countries and in what cases knock-out criteria should be applied.

In cooperation with other banks and with non-governmental organisations, WestLB has made important preparations for a Bioenergy Policy in 2010/2011. Besides a general Biofuels Policy, the aim is to define minimum criteria for specific feedstocks such as palm oil, soy, forestry and sugar cane. In this context, the new sustainability standards imposed by the EU (7 "systems") for bioenergy could be taken into account, e.g. with the bank's clients applying the most widely accepted standards. Until the Policy is adopted, the Bank will scrutinise each individual case.

WestLB classed nuclear power as a high-risk technology even long before the nuclear accident in Fukushima/Japan. For many years, the Bank has declined to finance projects involving nuclear energy and its military use. Other forms of finance for the civil use of nuclear energy are possible only in those countries that have joined the International Atomic Energy Agency (IAEA) and signed the Treaty on the Non-Proliferation of Nuclear Weapons and only if the transaction does not entail material reputational risks for the Bank. The latter requirement is met only very rarely, as there is usually insufficient social acceptance. The Policy is up for review with a view to improving the lending criteria, e.g. for corporate bonds in the capital market business or for loans serving general corporate purposes. Besides the respective purpose for which the funds would be used, the relative share of company revenues generated from activities in the nuclear energy sector could be taken into account as a possible criterion.

By constantly refining and improving our Policies in the energy sector, we want to remain at the forefront of the banking industry in this respect and support our clients as a forward-looking partner.

Sustainability criteria for deep-sea oil exploration

In 2010/2011, WestLB developed minimum and knock-out criteria for the deep-sea oil exploration business, which is critical from a sustainability point of view. Apart from the already existing demands for the best available technology and proven maximum safety and environmental management standards, “no-go areas” could be defined in future. The Bank’s discussion partners in this field include Greenpeace and the Federal Institute for Geosciences and Natural Resources.

Responsible capital investments

We are convinced that investments in sustainably operating companies pay off for investors. We therefore offer our private clients various capital market products and services allowing them to incorporate sustainability aspects into their investment decisions. Basket certificates such as “Open-End New Energy-Active”, “Solarthermie-



Plus-Active” or “Klimawandel-Active”, for instance, give them the opportunity to invest in the renewable energy sector. Another example is the “Open-End ESG-Sustainability” certificate (ESG: Environmental, Social, Governance), which is based on high sustainability standards as defined in our Extra Financial Rating system and therefore covers only those companies that are the ESG leaders in their respective sectors. Corporate clients are supported by WestLB in analysing potential ESG investors and approaching them, e.g. in the context of ESG roadshows or conferences.

Transparent climate strategies

The Germany Report of the international Carbon Disclosure Project (CDP) was prepared for the first time by WestLB’s Extra-Financial Research in 2010. For the fifth time since 2006, the 200 largest German enterprises were asked to participate in the world’s most comprehensive survey of climate-relevant corporate data by the CPD, which is supported by 534 institutional investors with total assets of USD 64 trillion. The results are used primarily to optimise investment decisions. They give investors an idea about how companies are affected by climate change and the related political regulations, what strategies they pursue to manage the resulting risks and opportunities and how systematically they pursue these strategies.

Ongoing dialogue with stakeholders

In the context of the “WestLB Sustainability Dialogue Forum”, we conduct a semi-annual exchange with leading environmental and development organisations and scientific institutes on the sustainability strategy of WestLB as well as on general and specific business risks and opportunities. The WestLB participants in this exchange include representatives of the front-office and the back-office as well as the Sustainability Management Department. The results of the Dialogue Forum are incorporated in the refinement of the sustainability strategy and the sustainability management process, e.g. in the development and implementation of business policies.

Successful recertification of environmental management system

Since 2007, our German locations have been certified to the international ISO 14001 environmental management standard. Our environmental management system was successfully recertified in 2010. The environmental auditors have thus confirmed that WestLB systematically analyses its environmental impact and is constantly working to reduce it.

This can be achieved only if all employees are involved in our efforts. We use instruments such as the annual Environmental Report, Intranet information and special activity days to reach our employees and raise their awareness for environmentally compatible behaviour at work. In addition, our eLearning platform introduces all new employees to material aspects of environmental protection. Our trainees are involved in annual projects that expose them to environmental and sustainability issues.

Excellent performance

Sustainability rating agencies recommend WestLB and its securities issues to sustainability-oriented investors. The latest rating from Sustainalytics ranks WestLB 9th among 63 financial institutions surveyed. Compared to the previous year, WestLB improved its score by 5 points to 66 and is ranked far above the industry average in all relevant sustainability categories. Rating agency oekom awarded WestLB “Prime” status in 2010, thus placing the Bank at the top of the sustainability league table of Germany’s financial institutions. Rating agency imug also placed WestLB above the average and awarded the Bank a “Positive” rating with a focus on bond issues.

In 2010, WestLB again received many awards for its project financings. Financial magazines “Finance Asia” and “Asiamoney” voted our financing of the Collgar Wind Farm in Australia “Best Project Finance Deal for Australia & New Zealand 2010” and “Best Project Financing Australia 2010”, respectively. The “Shepherds Flat” wind farm project from 2010 won two awards, namely “Renewable Energy Deal of the Year” from “Environmental Finance” and “Best Renewables Deal” from the Internet platform “Power Finance & Risk”.

Sustainability aspects in WestLB’s core business

	Structured Finance	Debt and Equity Markets	Corporate & Structured Finance Products	Corporates & Verbund
Products (examples)	Financing of complex infrastructure projects in Germany and abroad	Capital investment products for institutional and private investors	Capital market products and services for enterprises and investors	Corporate lending
Implementation of sustainability (examples)	Social and environmental standards in the assessment and financing of projects (Equator Principles)	Sustainable investments, certificates, integrated ESG financial analysis and corresponding equities business	Capital issues, mergers and acquisitions as well as IPOs in the fields of renewable energies and energy efficiency	Social and environmental standards for large loans, expansion of business with medium-sized companies in the field of environmental technology

Financial Key Performance Indicators

Total assets and results: The fiscal year 2010 saw the WestLB Group influenced by two main factors: a positive trend in earnings and costs at the operating level contrasted with considerable burdens resulting from the structural reorganisation of the Group.

The core bank clearly expanded its business in the client-related segments and generated a pre-tax profit of EUR 446 million in 2010. This strong increase on the previous year's EUR 138 million was achieved in spite of the difficult market environment and is attributable to better customer orientation and the reduction in administrative expenses. At Group level, the transfer of non-strategic assets to Erste Abwicklungsanstalt (EAA) was completed, which resulted in charges of EUR 235 million in the second quarter of 2010. The Group also incurred substantial restructuring expenses in an amount of EUR 238 million due to the conditions imposed by the European Commission – most importantly the short-term divestment of consolidated subsidiaries.

This led to a Group result of EUR –240 million in fiscal 2010 (previous year: EUR –531 million). Total assets were down EUR 50.8 billion or 21 percent on the previous year to EUR 191.5 billion. Equity capital increased by EUR 0.4 billion to EUR 4.1 billion.

Overview of financial key performance indicators of the WestLB Group

in EUR million	2008	2009	2010	Jan 1 – June 30, 2011
Total assets in € bn	288.1	242.3	191.5	160.4
Equity in € bn	3.8	3.7	4.1	4.2
Employees (full-time)	5,663	4,971	4,473	4,376
Net interest income	1,216	1,868	1,457	565
Credit risk provisions	– 479	– 796	– 242	– 55
Net fee and commission income	341	381*	368	120
Net trading result	47	– 188*	– 478*	26
Result from financial investments	– 19	– 10	– 88	9
Administrative expenses	1,341	1,192	1,023	480
thereof personnel expenses	645	598	486	251
Profit before income tax	26	– 503	– 133	50
Income tax	– 8	– 28	– 107	– 14
Group result	18	– 531	– 240	36

* In the consolidated financial statements for the period ended December 31, 2010, the recognition of commission expenses related to held-for-trading transactions was modified and the prior year figures were adjusted accordingly.

Social Key Performance Indicators

Employment: As of December 31, 2010, the WestLB Group employed 4,712 people or 4,473 full-time employees. Compared to the previous year, the headcount declined by approx. 10 percent. This means that the target of a headcount reduction by roughly 1,350 FTEs as compared to December 2007 was reached in full. Out of responsibility for our employees, we continued to implement the change process in a trusting and socially compatible manner.

As in the previous year, the reduction was due to the streamlining of the Group's national and international presence as required by the European Commission. All employees affected by closures in Germany were offered jobs in Düsseldorf; this policy also benefited the employees of the Cologne Branch, which was closed in 2010. On an international level, the locations in Dubai and Paris were closed. Moreover, the subsidiaries WestLB Bank Polska S.A., WestLB International S.A. Luxemburg and Banque d'Orsay were sold.

Job tenure, age structure and employee turnover: As of the end of 2010, the average job tenure at WestLB AG remained unchanged at 11 years, with an average of 13 years in Germany and 8 years abroad. The average age of our employees was 42 years, up by 0.7 years on the previous year. 63 percent of our employees are aged between 36 and 50, while 21 percent are younger than 36 and 16 percent are older than 50. At 11.9 percent, staff turnover in the WestLB Group was down 1.7 percent on the previous year. 5.5 percent of the employees terminated their employment.

Female promotion: In 2010, the percentage of women in qualified specialist positions was up by 0.2 percent on the previous year to 27.6 percent. By contrast, the percentage of women in management positions declined moderately to 21.8 percent. At 45.3 percent, the total percentage of women was down by 0.2 percent on the year 2009.

A good work-life balance is an important element of WestLB's human resources policy. The Bank therefore offers its employees a comprehensive range of services, which includes flexible part-time and working hour schemes, (emergency) child care services as well as child care allowances and advice. In recognition of our family-oriented corporate culture, the "berufundfamilie" audit certificate, which is awarded by the charitable Hertie Foundation and valid for a period of 3 years, was renewed in 2009.

Award-winning HR activities

In 2011, the Corporate Research Foundation (CRF) awarded WestLB the title of "Top Employer" for the seventh consecutive time in recognition of our staff-oriented human resources activities.

Vocational training: At 2.3 percent, the percentage of trainees/apprentices was almost on a par with the previous year in 2010. In spite of the staff reduction, we were able to offer 75 percent (the same as in 2010) of our apprentices a permanent position with WestLB following the completion of their traineeship/apprenticeship programmes.

WestLB attaches great importance to staff qualification, which is an important element in the company's repositioning. In 2010, the Bank continued to invest in further training and increased the average number of further training days per employee to 2.7. The percentage of employees taking advantage of further training measures declined moderately from 84 to 78 percent. Besides individual qualification measures, the further training activities primarily focused on systematic organisational and personnel development.

Working standards: WestLB AG guarantees high social standards such as maternity protection, parental part-time work as well as appropriate weekly working hours and leave arrangements to its employees worldwide (who represent 84 percent of the WestLB Group's total headcount). The standards of the International Labour Organization (ILO) are met for 100 percent of all employees. 93 percent of our employees are covered by a pension scheme, while 97 percent are covered by a state or company health insurance scheme.

Accidents: The number of work accidents increased from 36 in 2009 to 48 in 2010. This includes 30 accidents on the way to work, 17 accidents at work and one company sports accident. Reducing the number of accidents is an important objective for next year.

Visible reinforcement of social commitment in the personal environment

The way in which we fulfil our corporate responsibility depends very much on the personal conviction and commitment of our employees. Many of them support social activities during their free time. We want to make this kind of commitment visible within the company. Since May 2011, we have therefore given our employees the possibility to present their projects and activities on the Intranet, thus providing inspiration to others.

Overview of Social Key Performance Indicators

	2008	2009	2010
Employees			
FTEs Group	5,663	4,971	4,473
FTEs AG total	4,245	3,912	3,767
FTEs AG Germany	3,015	2,797	2,767
FTEs AG Europe excl. Germany	700	646	561
FTEs AG USA	324	297	284
FTEs AG Asia	206	172	155
Trainees/apprentices (AG Germany in %)			
	2.2	2.4	2.3
Women (AG Germany in %)			
in all positions	43.9	45.5	45.3
in management positions	23.4	22.8	21.8
in positions not covered by the collective employment agreement	27.7	27.4	27.6
Working standards (AG total)			
Employees with 25 vacation days and more in %	89	89	89
Employees with 30 vacation days and more in %	73	73	74
Employees with regular working hours < 40 hours/week in %*	97	97	97
Employees with regular working hours < 48 hours/week in %*	100	100	100
Employees benefiting from full freedom of association in %	100	100	100
Employees represented by staff council members in %	73	72	74
Employees covered by company/state pension scheme in %	94	94	93
Employees covered by company/state health insurance in %	97	97	97
Further education (AG Germany)			
Employees eligible for further training in %	100	100	100
Employees using further training opportunities in %	67	84	78
Average number of training days per participant	2.4	2.9	2.7
Average number of training days per employee	1.6	2.4	2.7

* excl. employees not covered by a collective employment agreement

Environmental Key Performance Indicators

Data collection: The environmental key performance indicators relate to the German locations in Düsseldorf, Frankfurt/Main (six buildings), Akademie Schloss Kriekenbeck and 11 international locations (determined in accordance with standards of the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten (VfU). External staff working in WestLB's buildings were included in the calculation, whereas employees who work from home or are on parental leave were not included. The data thus covers 85.2 percent of all employees in Germany and 100 percent of employees at the Group's international locations.

Employees: Full time employees*

Jahr	Germany	International
2008	3,602	1,884
2009	3,769	1,684
2010	3,622	1,292

* according to VfU standard

Energy consumption: Significant savings were achieved throughout the Group in the reporting period. Absolute energy consumption was down 15 percent on the previous year to roughly 76,000 megawatt hours (MWh). Specific electricity consumption per employee was reduced by about 12 percent at both the domestic and the international locations. The moderate increase in heating energy consumption in Germany is attributable to the early and severe onset of winter at the end of 2010.

CO₂ emissions: The reported CO₂ emissions cover energy supply, transport, paper production and drinking water supply for the years 2008 and 2009. Waste has been included in the calculation starting 2010.

Overview of environmental key performance indicators

	Unit	2008	2009	2010
Area used				
Net floor space (AG Germany)	m ²	298,535	306,336	259,375
Specific energy consumption				
Electricity/employee (AG Germany)	MWh	9.2	8.2	7.2
Electricity/employee (AG International)	MWh	14.2	15.2	13.4
Heating energy/employee (AG Germany)	MWh	7.6	6.9	7.5
Heating energy/employee (AG International)	MWh	4.9	4.6	3.8
Total energy consumption (AG Germany)	MWh	16.9	15.2	14.7
Total energy consumption (AG international)	MWh	19.1	19.9	17.2
Business travel				
Business travel per employee (AG Germany)	km/empl.	8,423	8,887	7,851
Means of transport in % (Air/Rail/Car) (AG Germany)	%	44/10/46	24/8/68	42/9/49
Business travel per employee (AG international)	km/empl.	16,034	12,887	17,187
Means of transport in % (Air/Rail/Car) (AG international)	%	92/1/8	95/1/4	96/2/2
Specific CO₂ emissions (CO₂ equivalents)				
CO ₂ emissions/employee (AG Germany)	t	8.1	7.4	6.1
CO ₂ emissions/employee (AG International)	t	12.6	11.9	10.6
CO ₂ emissions/employee (AG total)	t	9.5	8.8	7.3
Specific water consumption				
Water consumption/employee (AG Germany)	l	158	161	156
Water consumption/employee (AG International)	l	106	138	164
Specific paper consumption (excl. advertising materials)				
Paper consumption/employee (AG Germany)	kg	53.5	56.1	45.7
Paper consumption/employee (AG International)	kg	55.4	48.3	41.4
Specific waste volume				
Waste volume/employee (AG Germany)*	kg	595	544	535
Waste volume/employee (AG International)*	kg	276	319	321

* Deviations from the figures in the 2009/2010 Sustainability Reports are attributable to the German Tenancy Act. The energy consumed in the leased offices is charged with a certain delay, so that estimates had to be used in some cases.

CO₂ emissions were down by about 25 percent on 2009 to approx. 36,000 tons (t), although waste-related carbon emissions were covered for the first time. This means that we even improved on the excellent savings achieved in the previous year. Per-capita emissions declined as well, primarily due to the reduction in business travel and reduced energy consumption in Germany.

We want to continue on this way. The first steps have already been taken in the form of increased use of video conferences, CO₂ limits for company cars and various technical measures. Since January 2011, all of WestLB AG German locations have been supplied with electricity from 100 percent hydropower, which will lead to a further reduction in indirect carbon emissions.

Paper consumption: While paper consumption at WestLB AG in Germany had increased moderately in 2009, we were able to reduce it noticeably again from 211.4 t to 166.7 t in 2010. Paper consumption per employee declined from 56.1 kg to 45.7 kg in Germany and from 48.3 kg to 41.4 kg at the international locations. The percentage of recycled paper in Germany climbed from 43.7 percent in the previous year to 52.2 percent – a first step towards the 75 percent target defined in the sustainability programme for 2012. We want to step up our efforts to reach this target. Raising the awareness of our employees and training them will be key elements. In this context, an exhibition on recycled paper was organised in the staff canteen in 2010.

Waste volume: The total volume of waste from German operations stabilised at a high level of 1,938 t in 2010, which means that no improvements were achieved. This is attributable, among other things, to the fact that we vacated several rented buildings in the reporting period, which led to a temporary increase in the amount of waste. Additional efforts are required to achieve even more effective separation of waste types and to translate these improvements into a reduction in the total amount of waste.

Our Sustainability Programme

Our ongoing sustainability programme defines clear targets on which we report at regular intervals. It contains the target achievement of our environmental programme

for the years from 2010 to 2012. Complementary measures have been defined wherever we see further need for action. Due to the ongoing restructuring of WestLB, it is not known in some cases how and to what extent individual measures will be continued. Plans that go beyond June 30, 2012 are therefore possible only to a limited extent.

Objective	Project	Deadline	Status	Comment
Strategy				
Sustainability strategy Development of specific business and sustainability strategies	Updating of the WestLB Policy for Environmental and Social Issues	12/2010	o	Objective reached
	Development of sector-specific and/or topic-specific policies	06/2012	Δ	Partly achieved: Policy for Business Activities re Coal-Fired Power Generation will be updated; additional parts of the Climate Policy and a Bioenergy Policy will be refined/follow; new deadline: 2012
	Examination of the further updating of the WestLB Policy for Environmental and Social Issues	09/2011	x	New measure
Sustainable financial products and services	Incorporation of the sustainability expertise of the Sustainability Management Department in at least four projects relating to the development of products/business fields	Ongoing	o	Modification of the earlier measure "Internal advice, development and marketing of appropriate products/services"
Recertification of the environmental management system to ISO 14001	Completion of external recertification	11/2010	o	Objective reached
Audit of the environmental management system to ISO 14001	Implementation of an internal audit and external validation of the measures regarding the deviations determined in the external re-certification in 2010	10/2011	x	(Regular) new measure
Compliance Implementation of uniform compliance standards in all business units	Alignment of compliance monitoring and money laundering prevention with new legal requirements	Ongoing	o	
	Expansion of training activities for employees	Ongoing	o	
Core business Implementation of sustainability in the lending business (esp. project finance/ Equator Principles)	IT based analysis system for sustainability aspects in the lending business (esp. project finance/ Equator Principles)	03/2011	–	Objective not reached, as resources for the analysis system could not be budgeted
	Improvement in the implementation of sustainability aspects in lending processes and the respective software databases/applications	Ongoing	o	Will no longer be included in future planning, as it is being implemented in the context of day-to-day business
	Training of all new employees of Structured Finance	06/2011	–	Objective not reached due to restructuring; for modified measures, refer to objective "Training and further education on sustainability issues"
	Integration of NGO expertise in lending business	Ongoing	o	Will no longer be included in future planning, as it is being implemented in the context of day-to-day business
	Development of an assessment process; 3-month test phase for the application of the Equator Principles to corporate financings as well as exchange of information with the business units involved and with international EP financial institutions	10/2011	x	New measure

Objective	Project	Deadline	Status	Comment
Training and further education on sustainability issues	Requirement analysis of employees from Corporate & Structured Finance, Credit Analysis & Decision and Structured Finance requiring training as well as organisation of the respective technical training for some 100 employees	11/2011	x	Measure put in more concrete terms and, compared to 2010, adapted to the requirements of the restructuring process
Stakeholder dialogue				
Communication Intensification of the dialogue with society	Answering inquiries; participation and lectures at events by WestLB employees	Ongoing	o	
Strategy Integrating stakeholder requirements into the sustainability strategy	Organisation of the "WestLB Sustainability Dialogue Forum"	Ongoing	o	Meets semi-annually
Representation of interests Incorporate WestLB's position into efforts by int. organisations/initiatives (e.g. in the development of the International Finance Corporation [IFC] Performance Standards)	Develop WestLB positions and incorporate them into discussions and processes, e.g. the Equator Principles (or the IFC): EP steering committee and management of EP working groups "Stakeholder Engagement (NGO)" and "Climate Change"; participation in "Social Risks" working group; with the aim of publishing the new EP version by March 2012	Ongoing	o	Make informal and formal contributions in the context of the respective work programmes on an ongoing basis
Employees				
Qualification Qualification of employees	Systematic identification and development of high-performers and effective successor planning	Ongoing	o	Annual process
Work-life balance Position WestLB as a family-friendly employer	Re-auditing of "berufundfamilie" 2009	06/2012 3rd recertification	□	Measure amended; regular annual report
Equal opportunities Increase the share of women in qualified specialist positions to 30 percent	Refinement of the Equal Opportunities Plan (EOP)	Ongoing	o	As of 12/2010: 27.6%; no decision regarding new EOP
Environmental protection and management				
Master objectives from the environmental programme 2010–2012 Reducing CO ₂ emissions by at least 20% compared to the 2009 figures	Change of supplier and use of renewable energies	06/2012	o	Objective reached: Since January 2011, WestLB has been supplied 100% with electricity from hydropower. The impact on CO ₂ emissions cannot be measured and published before 2012
Increasing the share of recycled paper to 75%	Employee information and raising employee awareness for recycled paper	06/2012	□	Underway
Climate protection	Limit CO ₂ emissions of company cars and increase the fuel lump sum for cars with high fuel consumption	06/2012	Δ	New deadline, implementation underway
	Technical measures, e.g. review of a new PC energy management approach and raising staff awareness	06/2012	Δ	New deadline
	Reduction in business travel through increased use of video conferences	06/2012	Δ	New deadline
Raising employee awareness	New employees: Basic e-learning training "Sustainable development and environmental management at WestLB", updated in German and English	Ongoing	o	Regular training

Status

□ Objective reached o Underway/Implementation Δ Implementation postponed x New measure – Objective not reached

Progress Report under the UN Global Compact

WestLB supports the UN Global Compact with the aim of making a contribution to the worldwide implementation

of its ten principles. The table below shows the WestLB guidelines, programmes and management systems ("systems") which support the ten principles of the Global Compact in the Bank's sphere of influence. We also show the measures we have taken and the results (performance) we have achieved.

	Systems	Measures (examples)	Achievements (examples)
Principle 1 Protection of human rights	Equator Principles (p. 5/6) WestLB Policy for Environmental and Social Issues (p. 4)	Ongoing development of the Equator Principles (EP) on the EP Steering Committee and dialogue with the International Finance Corporation (p. 5/16)	Consistent implementation of our Policy in all divisions (p. 4–8/15)
Principle 2 No abuse of human rights	Equator Principles (p. 5/6) WestLB Policy for Environmental and Social Issues (p. 4)	Strict review, especially project finance and transactions in developing and emerging countries (p. 5/6)	Consistent implementation of our Policy in the divisions (p. 4–8/15)
Principle 3 Uphold the freedom of association	For financings see principle 2 Group staff councils (p. 11/12).	For financings see principle 2 Socially compatible reorganisation of the Group (p. 11)	For financings see principle 2 Group reorganisation in close coordination with the staff council (p. 11)
Principle 4: Elimination of all forms of forced and compulsory labour	See principle 2	See principle 2	See principle 2
Principle 5: Effective abolition of child labour	See principle 2	See principle 2	See principle 2
Principle 6: Elimination of discrimination	For financings see principle 2 Auditing of "berufundfamilie" (p. 11/16)	For financings see principle 2 Compliance with the standards of the International Labour Organisation (p. 12) Refinement of the equal opportunities plan (p. 16)	For financings see principle 2 Continuous increase in the percentage of women in executive positions (p. 11/16)
Principle 7: Precautionary approach to environmental challenges	See principle 2 Commitment to support the UN and EU climate targets Environmental management system to ISO 14001 (p. 9/15)	See principle 2 Measures for staff training on environmental protection at work (p. 9/16)	See principle 2 CO ₂ balance according to GHG Protocol (p. 13/14)

	Systems	Measures (examples)	Achievements (examples)
Principle 8: Initiatives to promote greater environmental responsibility	Environmental management programme (part of the Group sustainability programme) (p. 16)	100% of electricity consumption in Germany covered by renewable energies (p. 14/16)	Continuous reduction in CO ₂ emissions (p. 13/14)
	WestLB Policy for Business Activities re Coal-Fired Power Generation (p. 7)	Measures for staff training and raising employee awareness for recycled paper (p. 14/16)	Increase in the percentage of recycled paper (p. 14/16)
	Minimum and knock-out criteria for financings in the bioenergy sector (p. 7)	For financings see principle 2	For financings see principle 2
	Minimum and knock-out criteria for financings in the field of deep-sea oil exploration (p. 8)		
	For financings see principle 2		
Principle 9: Development and diffusion of environmentally friendly technologies	Business strategies and policies (p. 7/8)	Loans for renewable energies (p. 9)	“Best Project Financing Australia 2010” and „Best Project Finance Deal for Australia & New Zealand 2010” for Collgar Wind Farm in Australia (p. 9)
		Preparation of the Germany Report 2010 of the Carbon Disclosure Project (p. 8)	“Best Renewables Deal 2010” for Shepherds Flat wind farm (p. 9)
		Sustainability-oriented certificates and research products (p. 8)	
Principle 10: Work against corruption	WestLB Compliance Guidelines	Increased staff training (p. 15)	No known cases of corruption

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Published by

WestLB AG, Düsseldorf

Editing

akzente kommunikation und beratung gmbh, München

Design

valido marketing services GmbH, Düsseldorf

Cover photo

istockphoto

Copy deadline

August 16, 2011

This English Report is a translation of the original German Report.

www.westlb.de/sustainability





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