

# Preface to the 2005 Environmental Statement

Environmental protection as something we owe to ourselves and future generations: BayernLB<sup>1</sup> committed itself to this principle in the early 1990s. Looking back on recent years, and considering the insights since gained in environmental management, it becomes clear that commitment to the environment and financial corporate management do not cancel each other out. In fact, handling natural resources in a responsible manner offers substantial potential for saving money.

It has become tradition at BayernLB to publish an annual review of its environmental performance in which all environmentally-relevant uses of material and energy are recorded, appraised and analysed with regard to their streamlining potential. Wide-ranging objectives for all BayernLB units have followed, along with the practical measures to go with them. The resulting programme serves as our basis for further environment-friendly measures. As a monitoring instrument, it ensures transparency in developments and improvements in environmental protection. Since 2001 BayernLB has been keeping a close watch on all its environmentally-relevant processes, and their compliance with legal stipulations, by conducting annual corporate-ecological audits.

All of our employees are part of the environmental management system and are therefore the foundation for the steps taken now and to be taken in the future. It is BayernLB's employees who, thanks to their commitment and an informal network, will exert a strong and positive influence on the further course of our environmental management. This network, which not only offers every employee the opportunity to contribute suggestions but also to apply his or her experience and ideas on improving BayernLB's environmental performance, has played a decisive role in the success of recent years. The Bank will place special emphasis on expanding the network in the years ahead.

BayernLB's participation in EMAS II and the revalidation of its environmental management system are testimony to its commitment to environmental protection. The Bank will be making further improvements over the next three years. During this time we will concentrate on curbing our indirect impact on the environment. For example, we will reduce the CO<sub>2</sub> emissions resulting from our business activities. Social aspects will be a main criterion in our procurement of resources. The introduction of the "Ethical Responsibility" factor in July 2004 as a formal criterion under the Group's credit risk strategy was BayernLB's first major step towards ensuring a socially-compatible product line. This will help us to take ecological and social risks into appropriate consideration in all our financing activities.

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<sup>1</sup> Throughout this document, the name "BayernLB" shall refer to the whole Bank.

BayernLB is aware that, in an ever-shrinking world, environmental and climate protection must be promoted by all elements of society alike.

BayernLB is also active in environmental initiatives outside the Group. For example, we signed the United Nations Environment Program (UNEP) declaration for banks in 1995, are a participant in the Environmental Pact of Bavaria as well as in the Munich Financial Institutions and Local Agenda 21 task force (since 2001 and 1996 respectively), and joined the environmental committee of the Chamber of Industry and Commerce for Munich and Upper Bavaria in 2001 and, in 1996, the Association for Environmental Management in Banks, Savings Banks, and Insurance Companies (VfU).

Think globally – act locally. In keeping with this motto, BayernLB will continue to keep its customers and the public at large informed in detail of its environmental activities and promote discussion of this issue of such profound social relevance.

Dr Ralph Schmidt

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