



Assessment of the Sustainability Quality of the Green Bond Programme of Landesbank Baden-Württemberg (LBBW)

24 November 2017

Aim and Scope of this Second Party Opinion

Landesbank Baden-Württemberg (LBBW) commissioned oekom research to assist with its Green Bond Programme by confirming the sustainable added value of an asset pool, from which assets for Green Bond issuances will be chosen. The assessment of the Green Bond Programme was conducted using the criteria and indicators of a Green Bond Analysis Framework developed by oekom research. The aim of the Green Bond Programme is to channel investments to assets that have climate benefits and thereby contribute to the achievement of the UN Sustainable Development Goals (SDGs), particularly SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action) and SDG 7 (Affordable and Clean Energy).

oekom research's mandate included the following services:

- Definition of a Green Bond Analysis Framework ("oekom Green Bond Analysis Framework") containing a clear description of the eligible asset category and the social and environmental criteria assigned to this category for evaluating the sustainability-related performance of the assets (re-)financed through the proceeds of the bonds.
- Analysis of the alignment of the Green Bonds to be issued out of the Eligible Green Loan Portfolio against the ICMA's Green Bond Principles.
- Evaluation of compliance of the Eligible Green Loan Portfolio with the oekom Green Bond Analysis Framework criteria.
- Review and classification of LBBW's sustainability performance on the basis of the oekom Corporate Rating.

Overall Evaluation of the Green Bond Programme

oekom's overall evaluation of the Green Bond Programme of LBBW is positive:

- LBBW has defined a formal concept for its Green Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles (Part I of this Second Party Opinion).

- The overall sustainability quality of the Eligible Green Loan Portfolio in terms of sustainability benefits and risk avoidance and minimisation is good (Part II of this Second Party Opinion)¹.
- The issuer itself shows a good sustainability performance (Part III of this Second Party Opinion).

There are some aspects for which more specific selection or performance criteria would be recommended as these could add to the overall quality of the Green Bond Programme: It would be beneficial to complement the existing requirements with minimum environmental requirements regarding site selection and construction practices.

¹ The sustainability quality of the bonds may differ from this assessment depending on the assets selected for inclusion in the bonds.

Part I – Green Bond Principles

1) Use of Proceeds

The net proceeds of the Green Bonds to be issued by LBBW will be exclusively used to finance or refinance in whole or in part an Eligible Green Loan Portfolio consisting of Eligible Green Loans in the following eligible categories: Green Buildings and Renewable Energy.

As of November 2017, the Eligible Green Loan Portfolio only includes Green Building loans.

Eligibility criteria

Green Buildings

For buildings to qualify as Green Buildings – as defined by LBBW – they have to meet at least one of the following requirements:

- New and existing buildings must be in the top 15% of low carbon buildings in Germany, in accordance with the methodology developed and defined by an external specialised Green Buildings consultant
- Refurbished buildings in Germany, which have undergone major refurbishments since 2007 under the German energy savings ordinance (EnEV) and which can demonstrate an energy demand that is not more than 40% higher than of a comparable new building
- New, existing and refurbished buildings must have received at least a LEED “Silver”, DGNB “Silver”, BREEAM “Very Good”, ENERGY STAR “70” or equivalent level of certification

Renewable Energy

Eligible Renewable Energy projects are the financing or investments into or expenditures for the acquisition, conception, construction, development and installation of renewable energy production units; as well as the connection of renewable energy production units to the electricity grid and the transportation through the network.

Eligible Renewable energy sources include:

- On- and offshore wind energy
- Solar energy

2) Process for Project Evaluation and Selection

LBBW has established a Green Bond Committee to oversee the entire Green Bond process. The Green Bond Committee is responsible for evaluation and selection of eligible loans.

Green Buildings

For **Green Building** loans, the Green Bond Committee has relied on the support of an external specialised Green Buildings consultant. The external consultant has defined the associated eligibility

criteria for the top 15% of low carbon commercial buildings and the eligible regulations, standards and certifications. LBBW has also outsourced the identification of buildings within LBBW's existing portfolio of commercial real estate, which are compliant with these eligibility criteria, to the external consultant.

For newly originated loans, i.e. loans which will be originated after LBBW's inaugural issuance, and for existing loans for which detailed information has become available (such as building certifications or German energy passports) the Green Bond Committee will oversee the process for loan evaluation and selection according to the methodology defined by the consultant. LBBW will in this way gradually expand the Eligible Green Loan Portfolio.

LBBW ensures that all selected projects for inclusion in the Eligible Green Loan Portfolio comply with official national and international environmental and social standards and local laws and regulations on a best effort basis. It is part of LBBW's transaction approval process to ensure that all its activities also comply with minimum environmental and social requirements, which LBBW has set for all lending businesses. LBBW's environmental and social policies can be found on LBBW's website².

Renewable Energy

For **Renewable Energy** loans, the Green Bond Committee will oversee the process for loan evaluation and selection in line with the self-defined eligibility criteria. LBBW will in this way gradually expand the Eligible Green Loan Portfolio to also include Renewable Energy loans.

3) Management of Proceeds

LBBW will manage the proceeds of the issued Green Bonds in a portfolio approach. The proceeds from the Green Bonds will be allocated to a portfolio of loans that meet the eligibility criteria defined by LBBW and are in accordance with LBBW's evaluation and selection processes.

LBBW intends to allocate all Green Bond proceeds to the Eligible Green Loan Portfolio within one year of the Green Bond issuance.

LBBW intends to designate sufficient eligible loans in the Eligible Green Loan Portfolio to ensure its outstanding balance of Eligible Green Loans always exceeds the total balance of all outstanding Green Bonds. For each new Green Bond issuance, where necessary, additional Eligible Green Loans will be added to the Eligible Green Loan Portfolio to ensure sufficient and timely allocation of the incremental net proceeds. During the life of the Green Bonds, if a loan ceases to fulfil the eligibility criteria, LBBW will use its best efforts to remove the loan from the Eligible Green Loan Portfolio and replace it when necessary for the balance as soon as reasonably practicable.

Whilst any Green Bond net proceeds remain unallocated, LBBW will hold and/or invest the balance of net proceeds not yet allocated to eligible loans in its liquidity portfolio in money market instruments.

² https://www.lbbw.de/en/verantwortung/verantwortung_start/verantwortung_und_nachhaltigkeit.jsp

4) Reporting

LBBW commits on a best effort basis to align its reporting with the portfolio approach described in “Green Bonds – working towards a Harmonized Framework for Impact Reporting (December 2015)”³. The reporting basis for all LBBW Green Bonds and other potential green funding is the Eligible Green Loan Portfolio and will be aggregated for all green bonds outstanding.

Allocation Reporting

Allocation reporting will be available to investors within one year from the date of each Green Bond transaction and annually thereafter, until the proceeds have been fully allocated. For each project category, the report will provide:

- the total amount of proceeds allocated to eligible loans
- the number of eligible loans
- the balance of unallocated proceeds or the percentage of new financing and refinancing

Additionally, when appropriate and subject to confidentiality obligations, LBBW may provide concrete examples of eligible assets refinanced through the proceeds of the Green Bonds.

Impact Reporting

LBBW commits on a best effort basis to report yearly and until full allocation on climate benefits associated to the eligible loans; i.e.:

For **Green Building** eligible loans on:

- Estimated ex-ante annual energy consumption in KWh/m²a or energy savings in MWh
- Estimated annual GHG emissions reduced/avoided in tons of CO₂ equivalent

For **Renewable Energy** eligible loans on:

- Installed capacity in MWh
- Estimated annual GHG emissions reduction in tons of CO₂ equivalent

For the Green Buildings loans, LBBW has appointed an external specialised Green Buildings consultant to develop the methodology for the estimation and calculation of the impacts that will be made publically available. Where reasonably feasible, LBBW will seek to provide data on a building basis but due to confidentiality reasons will also choose to aggregate certain classes of buildings.

Both allocation report and impact report will be made available via LBBW’s website www.lbbw.de/greenbond.

To offer maximum transparency to investors LBBW will also strive to deliver such impact estimates in an investor presentation alongside with the issuance of each Green Bond.

³ <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/20151202-0530-FINALRevised-Proposal2.pdf>

Part II – Sustainability Quality of the Eligible Green Loan Portfolio

1) oekom Green Bond Analysis Framework

The oekom Green Bond Analysis Framework serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of LBBW's Eligible Green Loan Portfolio. It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the Eligible Green Loan Portfolio can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the Green Bonds and which can also be used for reporting. Details on the individual criteria and indicators for the categories can be found in Annex 1 „oekom Green Bond Analysis Framework“.

2) Evaluation of the Assets within the Eligible Green Loan Portfolio

Method

oekom research has evaluated whether the assets included in the Eligible Green Loan Portfolio match the eligible project category and criteria listed in the Green Bond Analysis Framework. The evaluation was carried out using information and documents provided to oekom research on a confidential basis by LBBW (a project list including information e.g. on Green Building certificates, energy performance and general information on the buildings). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by LBBW.

Findings

A. Green buildings (commercial real estate)

Sustainability Benefits and Risks of the Asset Category

Green buildings are beneficial from an environmental point of view as they contribute to climate protection through optimised energy efficiency and air quality. Further, green buildings help to conserve natural resources and reduce environmental impact through the reduction of waste and wastewater. From a social point of view, green buildings can improve occupant health and comfort.

At the same time, there are possible sustainability risks that need to be taken into account. Possible social risks stem from working conditions at construction sites, the integration of new buildings into the social context and the safety of building users. Environmental risks stem from impacts on biodiversity at the planning stage, as well as from poor resource efficiency during construction phase and at the use stage.

All projects within the Eligible Green Loan Portfolio are located in highly-regulated and developed countries.

- 1. Involvement of local residents at the planning stage (only applicable for new builds)
 - Regarding the 15 newly constructed buildings in the asset pool, no information is available on the involvement of local residents at the planning stage.
- 2. Environmental standards for site selection (only applicable for new builds)
 - For all 15 newly constructed buildings in the asset pool, no information is available on whether they were built on brownfield sites.
 - For the 1 newly constructed building outside metropolitan areas an environmental impact assessment is not available.
- 3. Access to public transport (only applicable for new builds)
 - ✓ 14 of the newly constructed building, accounting for 91% of the respective asset pool's volume, are located within a maximum of 1 km from one or more modalities of public transport. The one remaining newly constructed building, accounting for 9% of the respective asset pool's volume, is not accessible by public transport.
- 4. Social standards for construction (only applicable for new builds and renovations)
 - ✓ All 18 newly constructed or renovated buildings, are located in countries where high labour and health and safety standards are in place for construction and maintenance work conducted by both own employees and contractors (e.g. ILO core conventions).

- 5. Environmental standards for construction (only applicable for new builds and renovations)
 - For all 18 newly constructed or renovated buildings in the asset pool, no information is available on environmental standards during construction/renovation (e.g. measures to reduce water, waste and energy consumption and adequate management of waste streams at construction sites).
- 6. Sustainable building materials (only applicable for new builds and renovations)
 - For all 18 newly constructed or renovated buildings in the asset pool, no information is available on sustainable procurement measures regarding building materials (e.g. recycled materials, third-party certification of wood based materials).
- 7. Safety of building users
 - For none of the building projects detailed information on operational safety provided by constructional measures (e.g. fire safety, exit routes) is available.
- 8. Water use minimisation in buildings
 - For none of the building projects information is available on adequate measures to reduce water use (e.g. greywater recycling, efficient applications).
- 9. Energy efficiency in buildings
 - ✓ 35 building projects, accounting for 53% of the asset pool's volume, are proven to be part of the top 15% of the local market in terms of energy efficiency. For the remaining 15 projects, accounting for 47% of the asset pool, no detailed information is available on energy efficiency.
- 10. Labels / certificates
 - ✓ 20 building projects, accounting for 66% of the asset pool's volume, have achieved or are expected to achieve good scores in green building certificates, i.e. minimum BREEAM "Very Good", LEED "Gold", DGNB "Silver / Gold"⁴, or HQE "Excellent". For another 26 projects, accounting for 23% of the asset pool's volume, building certificates are not available or no certificates were issued. The remaining 4 projects, accounting for 11% of the asset pool's volume, only obtained a LEED "Silver" certificate.
- 11. Sustainable use / purpose of buildings
 - ✓ For 100% of building projects, production facilities of armaments, pesticides, tobacco and generation facilities for environmentally controversial energy forms such as nuclear power or fossil fuelled power can be excluded as all financed projects are either office or retail buildings.

Controversy assessment

- A controversy assessment on the underlying assets did not reveal any controversial activities or practices that could be attributed to LBBW.

⁴ With effect from 1 July 2015, DGNB updated its certification scheme, now ranging from "Bronze" to "Platinum": The "Bronze" certificate will be replaced by "Silver", "Silver" by "Gold" and "Gold" by "Platinum" for new certifications with immediate effect. "Bronze" will only be used for existing buildings in the future. The evaluation system and the assessment methodology remain unchanged.

Part III – Assessment of LBBW's Sustainability Performance

In the oekom Corporate Rating with a rating scale from A+ (excellent) to D- (poor), LBBW was awarded a score of C+ and rated "Prime", meaning that it fulfils oekom research's demanding requirements regarding sustainability performance in its sector.



As at 24 November 2017, this rating puts LBBW in place 3 out of 89 companies rated by oekom research in the Financials/Public & Reginal Banks sector.

In this sector, oekom research has identified the following issues as the key challenges facing companies in terms of sustainability management:

- Sustainability impacts of lending and other financial services/products
- Consumer and product responsibility
- Sustainable investment criteria
- Labour standards and working conditions
- Business ethics

In all five key issues, LBBW achieved a rating that was above the average for the sector. A significant outperformance was achieved in "Consumer and product responsibility", "Sustainable investment criteria" and "Business ethics".

The company offers a savings product involving a monthly lottery. It is estimated that this business area (Gambling) accounts for less than 1% of net sales. Other than this, the company is not involved in any controversial areas of business or controversial business practices and does not breach any of the other exclusion criteria frequently applied by sustainability-oriented investors. Overall, the company has a "minor" controversy level with a controversy score of 0. The industry's average is also "minor".

Details on the rating of the issuer can be found in Annex 2 "oekom Corporate Rating of Landesbank Baden-Wuerttemberg".

Robert Haßler, CEO

oekom research AG

Munich, 24 November 2017

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About oekom research

oekom research is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries with regard to their environmental and social performance. oekom research has extensive experience as a partner to institutional investors and financial service providers, identifying issuers of securities and bonds which are distinguished by their responsible management of social and environmental issues. More than 100 asset managers and asset owners routinely draw on the rating agency's research in their investment decision making. oekom research's analyses therefore currently influence the management of assets valued at over 600 billion euros.

As part of our Green Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria. We verify the compliance with the criteria in the selection of projects and draw up an independent second party opinion so that investors are as well informed as possible about the quality of the loan from a sustainability point of view.

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Annex

- Annex 1: oekom Green Bond Analysis Framework
- Annex 2: oekom Corporate Rating of Landesbank Baden-Wuerttemberg

Annex 1: oekom Green Bond Analysis Framework

oekom Green Bond Analysis Framework

The oekom Green Bond Analysis Framework serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of LBBW's Eligible Green Loan Portfolio. It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the Eligible Green Loan Portfolio can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the Green Bonds and which can also be used for reporting.

Use of Proceeds

The LBBW Green Bond Framework consists of the following project categories:

A. Green buildings (commercial real estate)

Sustainability Criteria and Quantitative Indicators for Use of Proceeds

In order to ensure that the environmental and social risks linked to the financed projects are prevented and the opportunities clearly fostered, a set of sustainability criteria has been established for each project category. A possible quantitative indicator, allowing for measurement of progress and regular reporting, completes each criterion.

A. Green buildings (commercial real estate)

1. Involvement of local residents at the planning stage (only applicable for new builds)

Quantitative indicator:

- Percentage of loans allocated to building projects for which residents are involved at the planning stage (e.g. information of residents, dialogue platforms).

2. Environmental standards for site selection (only applicable for new builds)

Quantitative indicators:

- Percentage of loans allocated to large-scale building projects (> 5,000 m²) outside metropolitan areas for which an environmental impact assessment is carried out.
- Percentage of loans allocated to building projects that are developed on brownfield sites.

3. Access to public transport (only applicable for new builds)

Quantitative indicator:

- Percentage of loans allocated to building projects that are located within a maximum of 1 km from one or more modalities of public transport.

4. Social standards for construction (only applicable for new builds and renovations)

Quantitative indicator:

- Percentage of loans allocated to building projects with high labour and health and safety standards for construction work conducted by own employees and contractors (e.g. ILO core conventions).

5. Environmental standards for construction (only applicable for new builds and renovations)

Quantitative indicator:

- Percentage of loans allocated to building projects for which resource efficiency (e.g. water, energy) and adequate management of waste is guaranteed by the implementing construction companies.

6. Sustainable building materials (only applicable for new builds and renovations)

Quantitative indicator:

- Percentage of loans allocated to building projects for which sustainable procurement measures regarding building materials are in place (e.g. recycled materials, third-party certification of wood based materials).

7. Safety of building users

Quantitative indicator:

- Percentage of loans allocated to building projects for which the operational safety is ensured by constructional measures (e.g. fire safety, elevator safety).

8. Water use minimisation in buildings

Quantitative indicator:

- Percentage of loans allocated to building projects for which measures to reduce water use are in place (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting).

9. Energy efficiency of buildings

Quantitative indicator:

- Percentage of loans allocated to building projects that received good scores in the energy efficiency ratings of the respective buildings certificates (BREEAM, LEED) or that are proven to be part of the top 15% of the local market in terms of energy efficiency.
- Percentage of loans allocated to building projects for which the percentage improvement regarding energy efficiency is at least 20% (renovations only).

10. Labels / Certificates

Quantitative indicator:

- Percentage of loans allocated to building projects that obtained a BREEAM "Very Good", DGNB „Silver / Gold"⁵, LEED "Gold" or HQE „excellent" or better certification.

11. Sustainable use / purpose of buildings

Quantitative indicator:

- Percentage of building projects for which production facilities of armaments, pesticides, tobacco and generation facilities for environmentally controversial energy forms such as nuclear power or fossil fuelled power can be excluded.

⁵ With effect from 1 July 2015, DGNB updated its certification scheme, now ranging from "Bronze" to "Platinum": The "Bronze" certificate will be replaced by "Silver", "Silver" by "Gold" and "Gold" by "Platinum" for new certifications with immediate effect. "Bronze" will only be used for existing buildings in the future. The evaluation system and the assessment methodology remain unchanged.

Controversy assessment

- Description of controversial projects (e.g. due to labour rights violations, environmental accidents, adverse biodiversity impacts).

Possible impact indicators: Energy consumption and avoidance of CO₂ emissions

- Average primary energy consumption (in kWh/m²).
- Annual CO₂ emissions (in kg/m²) compared to the local average.

oekom Corporate Rating

Landesbank Baden-Wuerttemberg

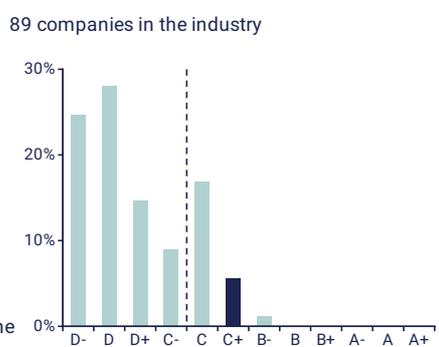
Industry	Financials/Public & Regional Banks	Status	Prime	<div style="border: 1px solid black; padding: 5px;"> Corporate Responsibility Prime </div> rated by oekom research
Country	Germany	Rating	C+	
ISIN	DE000LBW6CZ6	Prime Threshold	C	



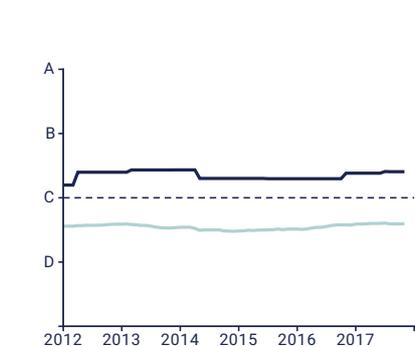
Industry Leaders

Company name (in alphabetical order)	Country	Grade
Deutsche Kreditbank AG	DE	B-
La Banque Postale SA	FR	C+
Landesbank Baden-Wuerttemberg	DE	C+

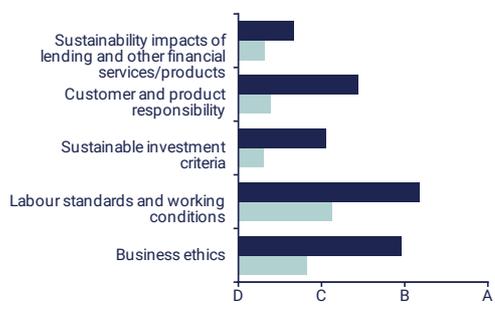
Distribution of Ratings



Rating History



Key Issue Performance



Strengths and Weaknesses

- + reasonable policy on responsible marketing and transparent contracts
- + reasonable measures taken to grant access to financial services without discrimination
- + reasonable integration of environmental and social aspects into the lending business
- + reasonable range of sustainable investment products and services
- no indication of measures regarding responsible treatment of customers with debt repayment problems
- only limited integration of environmental and social aspects into asset management

Controversy Monitor

Company		Industry	
Controversy Score	0	Maximum Controversy Score	-18
Controversy Level	Minor	Controversy Risk	Minor

Minor	Moderate	Significant	Severe	Minor	Moderate	Significant	Severe
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Landesbank Baden-Wuerttemberg

Methodology - Overview

oekom Corporate Rating - The oekom Universe comprises more than 3,800 companies (mostly companies in important national and international indices, but also small and mid caps drawn from sectors with direct links to sustainability as well as significant non-listed bond issuers).

The assessment of a company's social and environmental performance is based on approximately 100 environmental, social and governance criteria, selected specifically for each industry. All criteria are individually weighted and evaluated and the results are aggregated to yield an overall score (rating), in which the key issues account for at least 50 per cent of the total weight. In case there is no relevant or up-to-date company information available on a certain criterion and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the criterion is graded with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company itself as well as information from independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

An external rating committee assists the analysts at oekom research with the content-related design of industry-specific criteria and carries out a final plausibility check of the rating results at the end of the rating process.

Controversy Monitor - The oekom Controversy Monitor is a tool for assessing and managing reputational and financial risks associated with companies' negative environmental and social impacts.

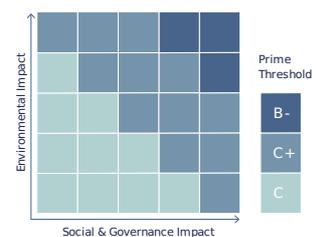
The controversy score is a unit of measurement for the number and severity of a company's current controversies. All controversial business areas and business practices receive a negative score, which can vary depending on the significance, number and severity of the controversies. Both the company's score and the maximum score obtained in the industry are displayed.

For better classification, the scores are assigned different levels: minor, moderate, significant and severe. The industry level relates to the average controversy score.

Only controversies for which reliable information from trustworthy sources is available are recorded. In addition to proven misconduct and activities of companies, alleged misconduct and activities are also assessed when the facts and circumstantial evidence provided by those sources, taking into account the experience of specialised analysts for each topic, is estimated to be sufficiently reliable. It should be noted that large international companies are more often the focus of public and media attention. Thus, the information available on those companies is often more comprehensive than for less prominent companies.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the oekom Universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analysed is classified in a Sustainability Matrix. Depending on this classification, the two dimensions of the oekom Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the oekom Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the oekom Universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Status & Prime Threshold - Companies are categorised as Prime if they achieve/exceed the minimum sustainability performance requirements (Prime threshold) defined by oekom for a specific industry (absolute best-in-class approach) in the oekom Corporate Rating. Prime companies rank among the sustainability leaders in that industry.

Strengths & Weaknesses - Overview of selected strengths and weaknesses of a company with regard to the key issues of the industry from a sustainability point of view.