

BayernLB's Sustainability agreement

(for suppliers and external service providers to BayernLB)

Sustainability agreement

between

Bayerische Landesbank

Brienner Straße 18

80333 Munich, Germany

(hereinafter referred to as **BayernLB**)

and

Klicken oder tippen Sie hier, um Text einzugeben.

xxx

xxx

(hereinafter referred to as **supplier**)

Preliminary note

The term “sustainability” covers the entire extent of a company’s environmental, economic, social and ethical impact.

BayernLB has therefore incorporated sustainability into its business model and takes into account the social, environmental and ethical aspects of its activities along the entire value chain.

BayernLB operates in a manner that conserves resources and is environmentally, socially and ethically responsible. It takes global problems such as climate change, drought, poverty, deforestation and threats to biodiversity seriously and accepts the challenges that these represent.

Meeting sustainability criteria is therefore an important consideration for BayernLB when purchasing goods and external services.

BayernLB's suppliers, external service providers, sub-suppliers and subcontractors (hereinafter collectively referred to as “supplier” or “suppliers”) are required to meet minimum environmental, ethical and social requirements at all their sites in Germany and abroad. BayernLB bases its minimum social standards mainly on the Fundamental Principles of the United Nations’ International Labor Organization (ILO) and must comply with the relevant provisions of the German Supply Chain Due Diligence Act.

This sustainability agreement describes the principles and standards BayernLB requires its suppliers and service providers to comply with when procuring products or performing services; these relate to their responsibility towards man and the environment.

BayernLB and its suppliers shall hold discussions at regular intervals on making mutual improvements in the areas listed.

1 Economic sustainability

- I.1 BayernLB aspires to a fair and collaborative relationship with its suppliers and external service providers.
- I.2 BayernLB requires that the supplier constantly endeavours to implement and optimise improved procedures for operational processes and technologies. One possible means of achieving this is DIN ISO 9001 certification.

2 Environmental responsibility (environmental expectations)

- II.1 BayernLB requires the supplier to practice environmental protection in accordance with national legal norms and international standards and to prevent and minimise environment-related risks and end existing violations. BayernLB considers compliance with standards corresponding to the EU environmental standards to be a minimum.
- II.2 BayernLB requires the supplier to monitor environmental impact, minimise damage to the environment and continually improve environmental protection. BayernLB requires the supplier to have established or be in the process of establishing an environmental management system and for this to be put into daily practice and actively implemented within

the company. One possible means of achieving this is DIN ISO 14001 and/or DIN ISO 50001 certification. However, a supplier can also prove by other means that it has or is establishing an environmental management system.

3 Social responsibility (human rights-related expectations)

- III.1 BayernLB requires the supplier to observe basic rights and human rights. This includes, in particular, preventing and minimising human rights risks and, where appropriate, ceasing violations of the human rights referred to in the following points as soon as it becomes aware of them.
- III.2 BayernLB requires the supplier to safeguard and respect applicable national legal standards and international standards.
- III.3 BayernLB requires the supplier to provide fair working conditions pursuant to the ILO's Core Labour Standards, as defined in more detail in points 4-8 below.
- III.4 BayernLB requires the supplier to respect the rights of its employees, in particular with regard to occupational health and safety, working time regulations, health and the prevention of unequal treatment in employment, for example on the basis of national and ethnic origin, social origin, health status, disability, sexual orientation, political opinion, religion or belief, as well as their gender or age; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value.
- III.5 BayernLB requires the supplier to neither employ, have others employ nor tolerate the employment of persons who cannot prove they are at least 15 years of age or older or who are employed in countries where an exception under ILO Convention 138 is deemed to exist. BayernLB requires the supplier to not hire workers for risky work according to ILO Convention 182 who cannot prove they are at least 18 years of age.
- III.6 BayernLB requires the supplier to not tolerate or engage in any form of corruption or bribery.
- III.7 BayernLB requires the supplier to not support forced labour and all forms of slavery, slave-like practices, serfdom or other forms of domination or oppression in the workplace environment, such as extreme economic or sexual exploitation and humiliation, in any way.
- III.8 BayernLB requires the supplier to grant its employees freedom of association and the right to collective bargaining.
- III.9 BayernLB requires the supplier to compensate its employees appropriately.
- III.10 BayernLB requires the supplier to observe the prohibition on using security service providers if, due to a lack of instruction or control, unlawful or inappropriate acts such as torture, degrading treatment, injury to life and limb or freedom of association may occur.

4 Duties of the supplier

The supplier undertakes to establish appropriate preventive measures within its company and towards its direct suppliers to ensure compliance with the above-mentioned environmental and human rights-related requirements.

The supplier shall inform BayernLB without delay if it becomes aware of any information regarding a possible violation of the above-mentioned human rights or environmental requirements within its company or the wider supply chain.

The supplier undertakes to cooperate in and tolerate appropriate control and audit measures carried out by BayernLB with regard to the supplier's compliance with this agreement or with regard to compliance with the statutory requirements. This includes, in particular, the granting of a full and unrestricted right of access, information, inspection and examination as well as the necessary access rights for regular and ad-hoc on-site inspections by BayernLB's own employees or external third parties commissioned by BayernLB for this purpose ("auditors") at the supplier's premises. The auditors' rights include making copies of pertinent documents and data. The supplier shall provide all pertinent documents, information and data the auditors require, which are necessary for the control and audit measures and enable the competent authorities to supervise BayernLB effectively. Upon request, the supplier shall fully and actively support the auditor in audit activities and collaborate with the auditor.

The scope of the audits performed by BayernLB depends on the risk or potential loss associated with the contractual service. The specific form of the audits shall be determined by BayernLB at its reasonable discretion; in doing so, the legitimate interests of the supplier shall be adequately taken into account; in particular, BayernLB shall safeguard the legitimate confidentiality interests of the supplier. BayernLB also takes into account certifications based on third-party audits (e.g. ISO 45001 and SA 8000), if and when appropriate.

The supplier shall support BayernLB in more in-depth risk analyses (e.g. questionnaires, individual case reviews) in its business area as well as in the implementation of appropriate preventive measures vis-à-vis its direct suppliers.

The supplier shall ensure that the staff it employs have unhindered access to the complaints procedure set up at BayernLB. In particular, they shall not undertake any actions that hinder, obstruct or impede access to the complaint procedure.

In the event of one or more environmental and/or human rights-related risks identified by BayernLB at the supplier's premises, the supplier undertakes to provide BayernLB, upon request, with proof of appropriate training in accordance with the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG). To obtain proof, the supplier is also entitled to have its employees participate in BayernLB's supplier training courses.

5 Remedial measures and right to extraordinary termination

5.1 Remedial measures

If the supplier's violation of one of the above-mentioned human rights-related or environmental requirements is such that BayernLB cannot rectify it in the foreseeable future, BayernLB must immediately draw up and implement a concept to minimise it in accordance with Section 7 of the LkSG. The concept must include a specific timetable.

The supplier shall cooperate in the joint development and implementation of a plan to remedy the defect (if necessary, together with the subcontractor who caused the violation).

BayernLB is entitled to temporarily suspend the business relationship during efforts to minimise risk.

5.2 Right to extraordinary termination

If the violation of a protected legal position or of an environmental requirement is judged by BayernLB to be very serious, if the implementation of the measures developed in the concept mentioned under 5.1 does not provide a remedy in the view of BayernLB after expiry of the time specified in the concept mentioned under 5.1, if BayernLB has no other mitigating means at its disposal and if increasing its influence does not appear promising, BayernLB is entitled to terminate the business relationship extraordinarily.

6 Assurance of the supplier

BayernLB considers compliance with the duties specified in this agreement to be an essential part of its contractual relationship with suppliers. The supplier undertakes to comply with the requirements and obligations set out in Clauses 2 to 5 and to commit its suppliers accordingly in terms of content.

Compliance with the obligations contained in this agreement constitutes a primary contractual obligation.

This provision does not explicitly limit BayernLB's other contractual rights.

7 Direct contact

Bayerische Landesbank
Sustainability Executive Unit
Brienner Straße 18
80333 Munich
Phone+49 (0)89 2171-24887
nachhaltigkeit@bayernlb.de
www.bayernlb.com

8 Signatures of the supplier



Place, date and name



Place, date and name



Financing progress.

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Brienner Straße 18
80333 Munich
bayernlb.com

