

# Sustainability Agreement

for Suppliers and External Service Providers to BayernLB

## Introduction

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 added 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 and external service providers (hereinafter collectively referred to as "suppliers") are required to meet minimum environmental, ethical and social requirements. BayernLB bases its minimum social standards mainly on the Basic Principles of the United Nations' International Labour Organization (ILO).

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 requires that its suppliers make genuine efforts to comply with the requirements detailed below (I to III) and that they pass these on to their own suppliers.

The supplier hereby agrees to provide upon request appropriate documents to prove compliance with this sustainability agreement. In addition, BayernLB will use external sources, such as data bases, to identify possible violations of the standards defined in this agreement. If there are grounds to believe violations may exist, BayernLB shall obtain a statement from the supplier when assessing the situation. BayernLB and its suppliers shall hold discussions at regular intervals on making mutual improvements in the areas listed.

## **I Economic sustainability**

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

## **II Environmental responsibility**

- II.1 BayernLB requires suppliers to comply with national legal standards and international standards on environmental protection. BayernLB considers compliance with standards corresponding to the EU environmental standards to be a minimum.
- II.2 BayernLB requires the supplier to 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.

## **III Social responsibility**

- III.1 BayernLB requires its suppliers to observe basic rights and human rights.
- III.2 BayernLB requires suppliers to safeguard and respect applicable national legal standards and international standards.
- III.3 BayernLB requires suppliers 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 suppliers to ensure the rights of its employees, particularly with regard to occupational health and safety, working hours regulations and health, and to prevent discrimination on the basis of skin colour, race, nationality, social background, disability, sexual orientation, political or religious beliefs, gender or age.
- III.5 BayernLB requires suppliers to not employ and to not allow or 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.
- III.6 BayernLB requires suppliers to not tolerate or engage in any form of corruption or bribery.
- III.7 BayernLB requires suppliers to not support forced labour in any way.

III.8 BayernLB requires suppliers to grant its employees freedom of association and the right to collective bargaining.

BayernLB considers compliance with these standards to be an essential part of its contractual relationship with suppliers. Accordingly, serious violations of the standards in this agreement by the supplier constitute grounds for extraordinary termination of all contractual relationships with that supplier. Prior to any such extraordinary termination, BayernLB will warn the supplier of the violation and set a deadline for remedial action. In particularly severe cases, the above-mentioned warning does not have to be given.

This termination right exists even if a violation of the above standards is not directly related to the agreement between BayernLB and the supplier. This provision does not explicitly limit BayernLB's other contractual rights.

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Place, Date

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Name (job title), Signature and company stamp

#### Your direct contact

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