

Guideline

Standard for Sustainable Procurement

GM-OS Corporate Procurement

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Gender neutrality

Merely for reasons of easier readability only the grammatical masculine form is used always meaning people of any gender identity (m/f/d).

Notes

Changes to the previous document version are **highlighted in colour**.
In the case of different language versions, the German version of the instruction is considered to be the leading document.

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1 Introduction

Banks are not only extremely important for the development of modern economies, they also play an important and responsible role in society as intermediary, employer, taxpayer and donor. Conscious of this, Commerzbank expressly stands up for its corporate responsibility and for the sustainable orientation of its business activities. For this reason, Commerzbank implements a variety of measures in various areas and carefully considers the economic, ecological and social consequences of its actions.

The cornerstone of Commerzbank's corporate responsibility and values-oriented corporate culture is formed by the the Corporate Values Integrity, Performance and Responsibility. Through these values our aim is to ensure and encourage responsible actions throughout the company and at all levels, derived in particular from the value "Integrity" – Commerzbank's most important quality. This is the basis of the trust placed in us as well as a prerequisite for sustainable economic success. In order to achieve this objective, Commerzbank has drawn up the "Guidelines on Corporate Responsibility", which transforms the Corporate Values into instructions for operative business.

Commerzbank's corporate responsibility does not end with our internal processes and activities, however, but also stretches along the entire value-added chain. Consequently, sustainability criteria play a critical role in safeguarding corporate responsibility also when purchasing goods and services.

Our sustainability strategy is based on the ESG criteria. E stands for Environment, S for Social and G for Governance. In the light of climate change and its consequences, our focus is currently on climate protection.

The Global Policy for the Protection of Human Rights and the Environment defines the principles for the handling of human and environmental rights in the supply chain and the minimum standards to be met by Commerzbank to comply with the requirements of the Supply Chain Due Diligence Act (LkSG), which has been in force since 1.1.2023. In addition, the Bank has formulated a Policy Statement on Human Rights and Environmental Due Diligence relating to human rights and the environment, summarising the measures and effects of the law.

With the standard for sustainable procurement, GM-OS Corporate Procurement is issuing binding guidelines for all process participants in order to comply with sustainability aspects of purchasing goods and services. The ecological, social and governance criteria (ESG) specified in the standard reflect Commerzbank's corporate responsibility demands on its service providers and suppliers. As a result, through its purchasing decisions Commerzbank also actively influences the sustainable orientation of these suppliers and service providers.

The aim of the standard is the systematic encouragement of a sustainable development in the procurement process. The criteria and rules of conduct formulated below should make it easy to consider sustainability aspects for all process participants. At a minimum, the standard also aims to inform Commerzbank employees in the subject of "Sustainability", as a sustainable development can only be achieved with the participation of as many people as possible.

2 Scope and target group

The rules agreed by GM-OS Corporate Procurement are binding for all units of Commerzbank AG. GM-OS Corporate Procurement is responsible for procurement in Commerzbank AG domestically and in the foreign branches. The target group is all process participants for carrying out the procurement process.

The standard applies to subsidiaries in Germany and abroad as a framework for sustainable procurement for internal specifications, which are agreed on basis of specific company circumstances. Rules, which obviously contradict the standard for sustainable procurement, require prior consent from GM-OS Corporate Procurement.

3 Governance criteria

3.1 Internal commitment: Ethics guideline of GM-OS Corporate Procurement and Code of Conduct

The procurement-specific ethics guideline highlights existing rules of conduct for procurement activities, thereby giving all employees binding rules for conduct with integrity in procurement.

Commerzbank has also converted particularly business-relevant sustainability risks into concrete guidelines. Collectively these provide binding rules for conduct with integrity, and refer to the subjects such as bribery & corruption, tax evasion, discretion, money laundering, insider trading and principles for dealing with each other at work. Any infringement of the rules will be considered a serious matter and could result in disciplinary measures being taken.

3.2 External commitment: Contracts for goods and services/Integrity Clause

Commerzbank requires that all suppliers and service providers adhere to the applicable laws and generally accepted standards. Concrete requirements and obligations concerning integrity and conduct of the supplier are described within the underlying contract for goods and services including the integrity clause and these must be fulfilled by all suppliers and service providers. By accepting the Commerzbank contract terms and conditions, the suppliers and service providers to Commerzbank have accepted their obligation to conduct their business activities within these parameters. Any amendment to these standard terms is only permitted with the prior approval of the Commerzbank Legal and Compliance departments.

4 Social criteria

4.1 Fundamentals of social standards

Commerzbank respects human rights and personal rights around the world as the fundamental rules of society. As a definition of human rights, Commerzbank applies the internationally accepted human rights standards, which include the UN International Bill of Human Rights and the ILO Core Labour Standards, which are also covered by the Supply Chain Due Diligence Act, as well as the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. Additionally, by participating in the UN Global Compact, Commerzbank has committed itself in particular to:

- Respecting human rights,
- Promoting their observance in its area of influence and to ensuring that breaches of human rights are not supported by its own business activities,
- Ensuring the freedom of association and the effective recognition of the right to collective bargaining,
- Working for the end of all forms of forced labour,
- Working for an abolition of child labour, and
- Working for the end of discrimination in recruitment and employment.

Commerzbank is a signatory to the Charter of Diversity of Companies in Germany, thereby sending a visible signal to employees, customers and business partners of the clear acceptance of individuality and diversity. Also we have signed the United Nations Women's Empowerment Principles. Commerzbank is thus committed to further promoting equality between men and women.

4.2 Specific social requirements

Commerzbank also expects its business partners to observe and comply with human rights and personal rights. In order to contribute to the promotion and protection of these rights, Commerzbank uses the many possibilities offered in cooperation with suppliers and service providers. As a result, compliance with social standards by suppliers and service providers represents an integral component of the standard for sustainable procurement. Furthermore, establishing compliance with the social standards is one objective of the annual review meeting conducted with all key suppliers and service providers to Commerzbank.

All suppliers and service providers used by Commerzbank agree to observe the specific social requirements and to impose the compliance with the corresponding requirements on their own suppliers and service providers.

4.2.1 Free choice of work

Suppliers and service providers should not force anyone to work and should not permit any form of forced labour.

4.2.2 Ban on child labour

Suppliers and service providers should not employ children younger than the minimum age specified by the International Labour Organisation or by national laws. The maximum specified minimum age applies.

4.2.3 Ban on illegal employment

Suppliers and service providers should not permit illegal employment. Commerzbank expects VAT and income tax, as well as social insurance, to be paid according to the applicable statutory provisions.

4.2.4 Ban on discrimination

Suppliers and service providers must commit to equal opportunities and the equal treatment of their employees. No one shall be disadvantaged or harassed as a result of ethnic origin, gender, religion, nationality, world view, disability, age, sexual orientation and sexual identity or for other reasons.

4.2.5 Remuneration for work

Suppliers and service providers must pay fair wages and additional payments, which fulfil all applicable laws and which correspond to the applicable local and industry-specific practices. Accordingly, they are obliged to pay local minimum living wages.

4.2.6 Working time

Suppliers and service providers must guarantee that their employees do not exceed the locally applicable, statutorily specified maximum working hours. Accordingly, they are obliged to observe a maximum daily working time of eight hours or a weekly working time of 48 hours (see 4.1. ILO Core Labour Standards).

4.2.7 Freedom of association

Suppliers and service providers must respect their employees' rights to freedom of association and collective bargaining and must ensure employees active in trade unions or employee organisations are not discriminated against or preferred in any form.

4.2.8 Treatment with respect

Commerzbank expects suppliers and service providers to respect the dignity, private sphere and personal rights of their employees and to provide a workplace that does not affect the physical or intellectual integrity of a person. Sexual harassment or abuse, intimidation, mobbing and corporal punishment must not be tolerated.

4.2.9 Health and safety

Suppliers and service providers are responsible for the health and safety of their employees. Commerzbank expects suppliers and service providers to guarantee a safe and healthy working environment and to act to prevent accidents and occupational illnesses through preventive measures.

4.2.10 Diversity & Inclusion (D&I)

Commerzbank expects suppliers and service providers to demand and promote the appreciative and active handling of diverse topics (diversity) and cooperation in a spirit of partnership (inclusion). The D&I standards, which complement the corporate constitution and the philosophy of Commerzbank with the Code of Conduct and its Corporate Values, are decisive for this. Organisations that are important from a D&I perspective are listed in the appendix.

5 Ecological criteria

5.1 Fundamentals of our ecological standards

By participating in the UN Global Compact Commerzbank has committed itself in respect of ecological criteria and requirements to:

- Following the precautionary principle with dealing with environmental problems,
- Introducing initiatives in order to promote greater environmental awareness, and
- To accelerating the development and spread of environmentally friendly technologies.

In addition, Commerzbank has committed itself to meet the ecological requirements of the German Supply Chain Due Diligence Act.

As an ISO 14001 and ISO 50001 certified company, the internal corporate processes of Commerzbank have been successfully audited and therefore correspond to the international standards for environmental and energy management systems. Our commitment to (corporate) environmental protection does not end with the internal processes of Commerzbank, however, but also includes close cooperation with suppliers and service providers, as well as the clear formulation of ecological criteria along the entire supply chain. Commerzbank's Environmental Guideline also states clear rules for environmentally friendly business, which have been approved by the Board of Managing Directors and advised to our most important service providers and suppliers.

Commerzbank therefore expects all its service providers and suppliers to comply with statutory norms and standards of environmental protection and continually to enhance environmental protection. Service providers and suppliers of Commerzbank commit to demand and promote compliance with environmental standards along their own supply chains.

Commerzbank is part of the Net-Zero Banking Alliance of UNEP FI, the United Nations Environment Programme Finance Initiative. As one of the first financial institutions worldwide, Commerzbank is committed to reduce the emissions of its banking operations to zero already by 2040. In addition, we have set ourselves the goal of having a 100% climate-neutral supplier portfolio by 2040.

All Commerzbank service providers and suppliers must comply with statutory norms and standards of environmental protection along their own supply chains and enhance environmental protection continually. In addition, Commerzbank expects its service providers and suppliers to support Commerzbank in achieving its climate goals.

5.2 Specific ecological requirements

Environmental labels provide important assistance when assessing the environmentally friendly business of suppliers and service providers and are an important consideration when selecting suppliers and service providers. Environmental labels exist across many product groups and support environmentally friendly procurement.

Analyses to reduce energy consumption as part of the design/dimensioning of plants, facilities, systems and energy-using processes must be taken into account when purchasing. In material procurement projects, if relevant, the entire life cycle costs, including disposal costs, are also included in the selection decision. Exceptions to this are, for example, Rental and leasing contracts.

In the case of contracts with an expected significant influence (e.g. logistics services, IT hardware) on the Net Zero target, the associated effects must be analysed and taken into account and documented when making decisions.

When the performance features and costs of conventional and sustainable products are equal, in general and taking into consideration the manufacturing conditions, logistics, pollutant content, recyclability and environment certificates, the sustainable product will usually be procured.

For this reason, the service providers and suppliers are asked to comply with the following ecological criteria when invited to tender:

- EN ISO 9001 Quality management systems
- EN ISO 14001 Environmental management system
- EN ISO 50001 Energy management system
- Climate protection goals such as climate neutrality

References to environmental labels according to product group are taken into account when making the procurement decision and these are listed in the appendix.

6 Checks and procedure in the event of non-compliance with the guideline

6.1 Checks

Within the scope of the internal control system, controls were defined for supplier evaluation in advance of new contract relationships as well as for existing suppliers. These also include ESG criteria within the scope of a scoring model. When selecting suppliers, the department GM-C/Reputational Risk Management analyses the supplier on a case-by-case basis.

Service providers are also evaluated with regard to compliance with the requirements defined in this standard by the ordering organizational units and GM-OS Corporate Procurement. Any necessary improvements in sustainability performance will be communicated to the suppliers. The evaluation results are adequately documented.

6.2 Consequences in the case of a breach of the Standard for Sustainable Procurement

Internally, non-compliance with the Standard for Sustainable Procurement may lead to disciplinary consequences. Guiding principle for consequences in the internal relationship is the Consequence Management.

Externally, a gradual and formal escalation may be considered and initiated via the key internal stakeholders. Deviations from the standard for sustainable procurement are addressed in regular supplier communication. The detailed description and scheduling of remedial measures is requested by the supplier. Appropriate documentation is provided for this purpose.

6.3 Regular reporting on sustainability management

As part of the annual supplier evaluation of the existing suppliers, Commerzbank management is also informed about the evaluation of the suppliers in accordance with the ESG criteria defined in this guideline. Annual reports on the climate neutrality of the supplier portfolio are also prepared.

In external relations, sustainable procurement is taken into account in the context of Commerzbank's non-financial reporting, such as the GRI report (Global Reporting Initiative).

7 Responsibilities, approval and communication paths

Collectively GM-OS Corporate Procurement and GM-STS Sustainability Management are responsible for the content of this guideline.

The guideline has been created by GM-OS Corporate Procurement and published on the GM-OS Corporate Procurement intranet pages.

8 Corresponding guidelines

The following guidelines correspond to the Standard for Sustainable Procurement:

- Procurement Guideline,
- Commerzbank's Code of Conduct,
- Commerzbank's Environmental Policy,
- Guidelines on corporate responsibility,
- Integrity clause,
- Ethics Guideline,
- Global Anti Fraud Policy,
- Global Anti-Bribery Corruption Policy,
- D&I Standards,
- Commerzbank's ESG Framework,
- Global Policy for the Protection of Human Rights and the Environment (LkSG),
- Policy Statement of Commerzbank on Human Rights and Environmental Due Diligence.

9 Concluding conditions

The Standard for Sustainable Procurement came into effect on 15.12.2014. The Corporate Procurement Sustainability Manager updates all specifications and recommendations at least once per year.

As of 01.01.2015 all new contracts with suppliers of goods and services to Commerzbank have contained specific terms and conditions regarding the integrity and conduct of the supplier.

Appendix 1: References to important environment labels

Criteria for energy efficiency and environmental compatibility can be found, for example, in the following aids for tenders or contract fundamentals published by environmental marks:

- www.umweltbundesamt.de
- European Commission

Energy and environment labels are regularly considered when making purchasing decisions.

For electrical products in particular, energy and environment labels provide concrete guide values specified by experts for low power consumption in the various operating modes. Concrete potential savings can be determined with this information and realistic target figures drawn up.

The most important energy and environment labels are briefly introduced below (vgl. Buy Smart).

Energy Star

www.eu-energystar.org

"Energy Star" is a program by the US energy authority and the Environmental Protection Agency (EPA). Worldwide, office equipment with lower power consumption is awarded the label. The EU Energy Star Program for Office Equipment was created in 2002 on the basis of an international treaty between the European Commission and the US-EPA. The European Commission and the US-EPA define the criteria for the devices covered. The Energy Star criteria are typically quite easy to fulfil. The "Energy Star" criteria should therefore be seen as a minimum requirement for each procurement decision. Ideally, the strictest possible environmental criteria should be applied in addition to the "Energy Star" (see following labels).

Blauer Engel

www.blauer-engel.de

The "Blaue Engel" (blue angel) is the oldest and best known environmental mark, and was established by the Federal and State Ministries responsible for environmental protection. The aim is to make environmentally friendly product alternatives known, thereby contributing to improving the environment. Products, which use considerably less energy than other products on the market without the label, and which also reduce other environmental damage, e.g. through pollution or noise, are awarded this label. The label is awarded by the "Eco-label Jury". In cooperation with experts and the Federal Environment Agency, this committee decides on the principles for awarding the label. The criteria catalogues are amended every two to four years according to the current state of technology.

EU Eco-label

www.eu-ecolabel.de

This label has been awarded in the member states of the EU and in other European countries since 1992. It is issued by the European Commission. In Germany, the Federal Environment Agency and RAL, Deutsches Institut für Gütesicherung und Kennzeichnung e.V., are responsible for awarding the label. The European Environmental Label (also known as the "EU-Eco-Label" or "Euro Flower") is the European version of the "Blue Angel" and is now recognised across Europe.

TCO

www.tcodevelopment.com

The Swedish environmental symbol "TCO" applies exclusively to office equipment. The label includes requirements for ergonomics, power consumption, emissions and ecology. The focus is on the area of occupational health and safety. The energy criteria are based on the Energy Star. According to TCO'99 (criteria from 1999), almost all groups of office equipment can be given the label.

CE mark

www.ce-zeichen.de

The CE mark is not an environmental or energy label in the actual sense. With the CE mark, the manufacturer or EU importer declares, in accordance with EU Directive 765/2008, "that the product complies with the applicable requirements specified in the Community harmonisation legislation regarding its award." Computer, keyboard, mouse, monitor and printer, as well as their packaging must bear the mark and the individual components must also fulfil the CE standards. The mark also stands for compliance with the device-specific European measuring standards, e.g. for determining power consumption. The manufacturer guarantees in a Declaration of Conformity that a product meets the requirements of all relevant EU guidelines.

FSC Seal

www.fsc-deutschland.de/

The FSC seal is awarded for wood and wood products from sustainably managed forests. Strict award criteria apply, which take into account the fact that wood products often pass through a long chain of stages from the forest to the retailer and to processing. For processing FSC wood, the FSC (Forest Stewardship Council) has drawn up rules designed to ensure that FSC wood is not mixed with wood from doubtful origin during processing.

PEFC- Seal

<https://www.pefc.org/>

The PEFC seal (Programme for the Endorsement of Forest Certification Schemes) is also a seal for wood products from sustainable forestry. Economic, ecological and social standards are looked at when awarding the seal. "PEFC works for the preservation and ecological balance of the forests. Companies, which are PEFC certified, show commitment to the environment and their responsibility in dealing with the essential commodity and material wood."

Appendix 2: References to important D&I organisations

Commerzbank is strongly committed to gender equality and the promotion of diversity & inclusion and is involved in important D&I organisations:

- Signatory and member of the Charter of Diversity
<https://www.charta-der-vielfalt.de/ueber-uns/die-unterzeichner-innen/liste/zeige/commerzbank/>
- Co-founder and Advisory Board of the Prout@Work Foundation
<https://www.proutatwork.de>
- Signatory of the United Nations Women's Empowerment Principles
- Member of the UnternehmensForum e. V. on the inclusion of people with disabilities
<https://www.unternehmensforum.org>
- Member of „genderdax“ for the promotion of equality
https://genderdax.de/info_plattform/commerzbank-ag/