

High-Level Commitment of the BMW Group for Sustainable Natural Rubber

Protection of forests and other natural ecosystems is critical for maintaining biodiversity, combating climate change, and sustaining livelihoods. As part of our overall sustainability goals, the BMW Group is committed to eliminating deforestation and ecosystem conversion from our supply chains and to safeguarding human rights across all our operations and suppliers. Given that natural rubber is a known driver of deforestation, this document outlines our commitment to sourcing sustainable natural rubber and is aligned with the Policy Framework that was adopted in a September 2020 resolution by the General Assembly of the Global Platform for Sustainable Natural Rubber (GPSNR), of which we are a founding member.

This document is also aligned with the principles and guidelines laid out in the UN Guiding Principles for Business and Human Rights and the ILO fundamental conventions.

Scope

The provisions in this document apply to the products containing natural rubber that are sourced by all our operations, recognizing the need to prioritize specific products or product types for risk mitigation actions based on a risk assessment. Our supplier expectations are clearly detailed in the [BMW Group Supplier Sustainability Policy](#), which serves as the basis for how we evaluate and help our suppliers maintain or progress towards compliance with the sustainability requirements of our company.

Commitments

Sustainable Natural Rubber

We will work within our own operations and through our suppliers to increasingly source products containing natural rubber that is produced and processed in line with GPSNR policy requirements, such that it:

- o complies with local, national and international laws
- o prohibits corruption
- o does not contribute to deforestation or destruction of critical wildlife habitats
- o protects high conservation values (HCVs) and high carbon stock (HCS) forests (the cutoff date after which deforestation or HCV degradation is considered non-conforming with this policy is 1 April 2019).
- o protects water and soil resources
- o respects internationally recognized human rights and upholds the UN Guiding Principles on Business and Human Rights (UNGPR)
- o ensures the ability of Indigenous Peoples and local communities (IPLCs) to give or withhold their free, prior, and informed consent (FPIC) on any activities that might affect their rights, and respects and recognizes the formal and customary land rights of IPLCs in rubber producing regions, and is in accordance with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)

Company

Bayerische Motoren Werke Aktiengesellschaft

Postal address BMW AG

80788 München

Office address Petuelring 130**Office address** Forschungs- und

Innovationszentrum (FIZ)

Knorrstraße 147

Telephone Switchboard +49 89 382-0**Fax** +49 89 382-70-25858**Internet** www.bmwgroup.com**Bank details**

Deutsche Bank

IBAN

DE05 7007 0010 0152 6946 00

SWIFT(BIC)

DEUTDE33

VAT-ID

DE 1292 73398

Tax-ID 143/301/01130

Domicile and Court of Registry

München HRB 42243

Chairman of the Supervisory Board

Norbert Reithofer

Board of Management

Oliver Zipse

(Chairman)

Ilka Horstmeier

Milan Nedeljković

Pieter Nota

Nicolas Peter

Frank Weber

Andreas Wendt

- complies with the ILO fundamental Conventions and all applicable local law on workers' rights regarding:
 - a) no child labor
 - b) forced or compulsory labor
 - c) freedom of association and collective bargaining
 - d) no discrimination
 - e) no abusive practices
- strives to ensure internationally recognized labor rights and complies with all applicable local laws on workers' rights including:
 - a) legal working hours
 - b) safe and healthy workplaces
 - c) decent living wages
 - d) gender equity
- supports the livelihoods of rubber producers, particularly small farmers, and those communities in rubber producing areas

Due Diligence

To demonstrate progress with our commitments and recognizing the influential role our company can play in contributing to sector-wide transformation, the BMW Group further implements or will implement following measures in line with the BMW Group Supply Chain Due Diligence:

- **Traceability:** We will promote mapping and traceability of raw materials in our supply chain to a point at the appropriate jurisdictional level where compliance can be verified, aligned with the recommendations of the forthcoming GPSNR implementation guidance.
- **Risk assessment:** We will assess actual and potential environmental and social risks within our natural rubber supply chains and will prioritize risk mitigation actions as defined in the forthcoming GPSNR implementation guidance.
- **Supplier engagement:** We will work with our existing suppliers to identify, prevent and mitigate, environmental and social harms in natural rubber supply chains that violate this high-level commitment, and will evaluate the environmental and social performance of new suppliers/partners prior to engagement. We require our suppliers to set up a due diligence process aligned with [GPSNR policy framework](#) for producing and procuring natural rubber and to implement necessary time-bound measures as defined in the forthcoming GPSNR implementation guidelines. We offer guidance and training to our suppliers to support them in understanding our expectations, relying on technical support from GPSNR.
- **Dispute resolution:** We have a grievance mechanism in place (available by phone under +49 89 382-71230 or by e-mail under humanrights.sscm@bmwgroup.com.) to address any complaints regarding our or our suppliers' operations and to resolve disputes in a fair and timely manner. We also expect our suppliers to have their own grievance mechanism(s).
- **Escalation:** In cases our supply chains may not conform with our Supplier Sustainability Policy, we will develop time-bound implementation plans for moving towards conformance and remediation of past or ongoing harms as defined in our escalation process.
- **Reporting:** We commit to reporting on our progress in implementing these commitments as specified in the forthcoming GPSNR reporting requirements.
- **Multistakeholder Engagement:** We commit to engaging in and contributing to multi-stakeholder, landscape and supply chain initiatives like the GPSNR as well as further interventions that enable and enhance sustainable natural rubber uptake in the global marketplace.