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**BMW
GROUP**



ROLLS-ROYCE
MOTOR CARS LTD

**WE ARE COMPLIANCE
BMW GROUP CODE ON
HUMAN RIGHTS AND
WORKING CONDITIONS**



DEAR COLLEAGUES,

The BMW Group takes its social responsibility very seriously. Respect for human rights and fair working conditions are an integral part of our corporate culture.

In October 2018, the Board of Management and the General Works Council of BMW AG signed the Code on Human Rights and Working Conditions. This Code is oriented toward the main international standards on human rights and working conditions, such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. It supplements the existing Joint Declaration on Human Rights and Working Conditions of 2005, which was reaffirmed in 2010.

The Code outlines how our company promotes respect for human rights and fair working conditions and implements the core labor standards of the International Labor Organization (ILO). It covers important topics such as equal treatment of all employees, the right to health and safety at work, and protecting the personal data of employees and customers.

The Code applies to associates, suppliers, and authorized sales partners. In this way, we are making an essential contribution to the long-term success of our company.

Yours,

A handwritten signature in blue ink, appearing to read "O. Zipse".

Oliver Zipse
Chairman of the Board of Management of BMW AG



DEAR COLLEAGUES,

The BMW General Works Council is committed to representative participation of everyone who works for the BMW Group. Our actions as employee representatives are based on a global moral and ethical responsibility.

For this reason, the BMW General Works Council welcomes the BMW Group's commitment to ensure respect for human rights and decent working conditions. The Code on Human Rights is applicable worldwide and across national borders – for both our production network and our suppliers.

On the road to electromobility, both companies and their supply chain are undergoing a transformation. The BMW Group and General Works Council intensively deliberate on all strategic decisions to ensure fair working conditions and respect for human rights throughout the entire value chain – from suppliers to the BMW Group, all the way to its sales partners.

We all bear a responsibility for the collective of values within the BMW Group and at its suppliers and sales partners. We firmly believe that only companies that operate sustainably will have long-term economic success. However, success has another dimension for us at the General Works Council as employee representatives: Success is when people are able to thrive, thanks to fair working conditions and mutual respect. That is our commitment.

Yours,

A handwritten signature in blue ink, appearing to read "Dr. Kimmich".

Dr Martin Kimmich
Chairman, BMW European and General Works Council

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1. INTRODUCTION

1.1. BASICS

Responsible, sustainable, and lawful conduct forms an integral part of the BMW Group's values and is firmly embedded in its corporate strategy.

The BMW Group has been a member of the UN Global Compact since 2001, and takes its environmental and social responsibilities very seriously. In doing so, it has built a solid basis for ensuring its long-term business success.

The BMW Group is committed to respecting internationally recognized human rights. It underlined its position on this matter back in 2005, when its Board of Management, employee representatives, and the trade union signed the Joint Declaration on Human Rights and Working Conditions in the BMW Group, which was reaffirmed in 2010. The underlying BMW Group Code on Human Rights and Working Conditions complements the existing Joint Declaration.

As part of its implementation of the German Supply Chain Due Diligence Act (LkSG), the Board of Management of BMW AG adopted a comprehensive policy statement in 2022 that describes our human rights due diligence processes in detail. This policy statement is published on the [BMW Group website](#).



Human rights are basic standards aimed at securing dignity and equality for all. They are a universal, inalienable, and indivisible entitlement of every human being in equal measure. This definition is reflected in the International Bill of Human Rights.

In addition to locally applicable legal requirements, the BMW Group's activities also take the following international standards into consideration:

- the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up,
- the OECD Guidelines for Multinational Enterprises,
- the UN Guiding Principles on Business and Human Rights,
- the Ten Principles of the UN Global Compact.

1.2. THE BMW GROUP CODE ON HUMAN RIGHTS AND WORKING CONDITIONS – OBJECTIVES

This underlying Code defines and explains how the BMW Group promotes human rights and implements the ILO Core Labor Standards in its business activities. Applicable worldwide, the code is valid for all BMW Group locations and business units. Its key focus is on aspects that are of particular relevance to the company, its employees, and global supply chains.

Foremost, the BMW Group Code on Human Rights and Working Conditions applies to:

- Employees (see Section 2),
- Suppliers (see Section 3),
- BMW Group authorized sales organization (see Section 3).

The underlying BMW Group Code on Human Rights and Working Conditions reaffirms and clarifies the company's commitment to respecting human rights. It complements the BMW Group Code of Conduct, as well as all other existing corporate policies, guidelines, and instructions. The Code is to be implemented in accordance with current legislation in the various markets and locations concerned, and with due regard for their respective cultures.

Where national law conflicts with individual aspects of the BMW Group Code on Human Rights and Working Conditions, the company seeks to apply the highest-possible priority to human rights within the legal boundaries of the country concerned.

2. PROMOTING HUMAN RIGHTS AND FAVORABLE WORKING CONDITIONS AT THE BMW GROUP

The BMW Group respects the human rights of its employees and aims to provide working conditions that exceed minimum standards. Cooperation within the BMW Group is characterized by mutual respect and the values of responsibility, appreciation, transparency, trust, and openness. These values determine the attitude and conduct of employees around the world and form the basis for the BMW Group's understanding of leadership. BMW Group managers have a key role to play in this: They must lead by example, putting these values into practice.

The following sections outline the key topics with regard to respect for human rights and ensuring fair working conditions.

2.1. PROHIBITION OF CHILD LABOR

The BMW Group does not tolerate child labor of any kind.

A child's development must not be hampered by undertaking any kind of work that keeps them from receiving an education. Their dignity must be respected, and their health and safety protected. In accordance with ILO Core Labor Standards, the BMW Group adheres to minimum employment ages and fully rejects child labor and, in particular, the very worst forms of child labor, e.g. dangerous work that can harm the health, safety, or morals of children.

2.2. PROHIBITION OF FORCED LABOR

The BMW Group does not tolerate forced or compulsory labor of any kind.

In accordance with ILO Core Labor Standards, the BMW Group opposes the use of forced or unlawful compulsory labor of any kind in its business activities.

2.3. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

The BMW Group recognizes the right of all employees to form representative bodies and participate in collective bargaining on working conditions.

The BMW Group has a culture of trusting, constructive cooperation with applicable employee representatives. Even on controversial issues, it aims to maintain stable collaboration with representative bodies in its own interests and for the good of its employees. Employees are neither shown preference nor disadvantaged for either belonging or choosing not to belong to a trade union or employee representative body. Where a facility has no appropriate employee representatives, the BMW Group promotes regular dialogue between the workforce and the company.



2.4. PROTECTION FROM DISCRIMINATION

Equal treatment of all employees is a fundamental principle of our corporate policy.

The BMW Group does not tolerate discrimination against its employees. Staff must not be disadvantaged, favored, or harassed on the grounds of characteristics such as gender, skin color, religion, nationality, political or other beliefs, ethnic origin, disability, age, sexual orientation, or any other characteristics protected by local laws, e.g. membership of a national minority, pregnancy, or veteran status. The BMW Group supports national policies to overcome the effects of past discriminatory practices or other disadvantages. Moreover, in keeping with its diversity strategy, the BMW Group actively promotes diversity and nurtures an open and integrative corporate culture.

2.5. RIGHT TO OCCUPATIONAL HEALTH AND SAFETY

At the BMW Group, the protection and promotion of employees' health and safety is a top priority.

Around the world, the BMW Group complies with all applicable employment protection legislation and sets its own additional standards for improving occupational health and safety.

Effective management systems and certifications (e.g. ISO 45001) allow for regular controls that verify compliance with relevant occupational health and safety standards, as well as ergonomic workplace design, which in turn reduces the risk of accidents.

In line with the BMW Group's occupational health and safety requirements, the managers responsible take their obligations very seriously. They ensure that all employees concerned are regularly instructed on the relevant aspects of occupational health and safety. Managers receive regular training to support them in these responsibilities. In addition, the BMW Group actively promotes the physical and mental wellbeing of its employees through health management initiatives.

By implementing adequate safety measures, the BMW Group also makes every effort to keep employees and visitors safe at all of its sites. Site-specific risk assessments are carried out and measures implemented in accordance with applicable legislation.

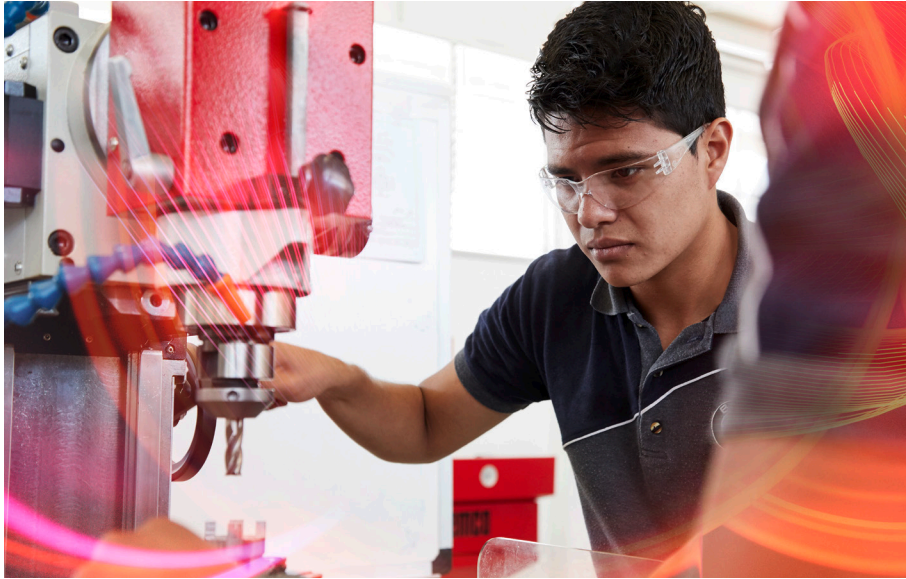


2.6. REMUNERATION

The BMW Group remunerates its employees with competitive, performance-based compensation, complemented by additional benefits.

Employees are remunerated fairly by both internal and external standards. Uniform principles provide the foundation for a well-balanced global remuneration system. Where such legislation exists, the BMW Group pays its employees at least the legal minimum wage applicable in the economic area concerned. It also strives to provide its employees with above-average remuneration overall (consisting of salaries and additional benefits), compared with the rest of the local employment market.

At all BMW Group entities, performance and results form the key criteria on which employees' salaries are based. The company also remunerates workers in line with local policies for their individual or collective performance.



2.7. WORKING TIME

The BMW Group complies with national legal working time regulations as a minimum requirement. In addition, our working time principles outline the BMW Group's values for employee rest periods, leisure, and leave. They support BMW Group entities worldwide in designing working time regulations.

Working time and break time consider both business and personal needs. They are based on scientific criteria, such as medically recognized limits regarding physical and psychological stress.

The BMW Group supports employees' efforts to reconcile their professional and personal lives with a range of different working time models, as well as childcare arrangements and counseling on caring for family members, to help them achieve a healthy balance in the various stages of their careers and lives. Every BMW Group site develops appropriate measures tailored to regional and national conditions.

2.8. TRAINING

The BMW Group promotes the long-term employability of its employees. It recruits new employees based on their personal ability, and trains and develops them accordingly. Their skills and talents are enhanced by future-oriented training and education programs that are designed to keep their performance and employability levels high in the long term. As well as concentrating on technical training, courses focus on personal development. Access to further education and training is based on the principle of equal opportunities for all employees.

2.9. RIGHT TO PRIVACY – PROTECTION OF PERSONAL DATA

To protect the individual rights of employees and customers to determine how their personal information is used, the BMW Group maintains high data protection standards. In essence, these conform to German and European data protection standards to ensure the best-possible respect for individual rights at all BMW affiliated companies worldwide.

When it comes to dealing with personal data in day-to-day business, innovative information technologies and increasing media connectivity may represent major challenges. Group Data Privacy Protection makes every effort to ensure that the use of such personal data is legally compliant, the impact on privacy is minimized, and the rights of the individuals are guaranteed, including their right to access, correct, block, or delete information.

2.10. RIGHTS OF LOCAL COMMUNITIES CLOSE TO BMW GROUP FACILITIES

At its facilities, the BMW Group respects the human rights of local communities potentially affected by its business activities. Moreover, its stated aim is to minimize the impact on local communities during site preparation, construction, and operation of its facilities. This is done by carrying out environmental and social assessments on various aspects, such as water availability, traffic conditions, and emissions. At its facilities and locations, the BMW Group is committed to environment-friendly and resource-efficient processes and methods that utilize resources efficiently and minimize negative impacts on local communities.

3. ENGAGING WITH BUSINESS PARTNERS

The BMW Group expects its business partners to respect human rights and, in particular, to abide by the ILO Core Labor Standards, principles of the UN Global Compact, and UN Guiding Principles on Business and Human Rights. It takes active steps to ensure that these principles are adhered to and implemented along the value chain.



3.1. SUPPLIERS

The BMW Group expects its suppliers to respect human rights as they conduct their business. For the BMW Group, the commitment of suppliers to meet their social responsibility and, especially, to abide by the ILO Core Labor Standards, is a crucial prerequisite for maintaining business relations.

As a global company, the BMW Group relies on a comprehensive supplier network. As purchasing becomes increasingly international and supply chains grow ever more complex, the risk of being linked directly or indirectly to human rights violations is rising. To promote compliance with environmental and social standards in its supplier network, the BMW Group actively participates, for example, in cross-industry initiatives and networks, engages in capacity-building measures with suppliers, and has established a multi-stage due diligence process to monitor its supply chain.

The BMW Group Supplier Code of Conduct informs suppliers of the minimum requirements and expectations with regard to social and environmental responsibility.

Compliance with the minimum requirements formulated in the BMW Group Supplier Code of Conduct is written into the BMW Group's purchasing terms and conditions as a binding requirement – for suppliers of production material and vehicle parts in the BMW Group International Terms and Conditions for the Purchase of Production Materials and Automotive Components (IPC) and for suppliers of non-production material in the General Terms and Conditions for Indirect Purchasing (GTC). Suppliers are also expected to require their sub-contractors to act accordingly, e.g. by agreeing on a supplier sustainability policy with their suppliers.

As well as prohibiting child labor, forced labor, and discrimination, and ensuring freedom of association, suppliers must comply with occupational health and safety standards, for example, and provide adequate working conditions.

The BMW Group offers a wide range of targeted training for buyers and suppliers to raise awareness of human rights and labor standards and communicates its expectations clearly. In doing so, it also helps suppliers comply with existing standards.

Respect for human rights is an evaluation criterion in the supplier selection process and one component of a multi-stage risk management process. This includes a risk filter, a media screening, a sustainability self-assessment questionnaire for the automotive industry, and on-site assessments carried out either by the BMW Group or external third parties. These measures support the BMW Group in identifying supplier locations and product groups at particularly high risk of being linked to possible human rights violations.

The BMW Group follows up reports of potential violations of environmental and human rights in its supplier network through its complaints mechanism. Whenever necessary, an escalation process is initiated, and corrective action plans are developed in conjunction with the supplier. Where a supplier fails to take effective corrective action, the BMW Group may potentially terminate the supply contract.

The BMW Group does not tolerate unlawful conduct of any kind on the part of security staff toward employees or third parties. The BMW Group undertakes to ensure that service providers delivering security services are contractually obliged to respect human rights and receive appropriate guidance and training, as needed.

3.2. BMW GROUP AUTHORIZED SALES ORGANIZATION

The BMW Group expects its dealers, sales agents, and import companies to respect human rights and, in particular, to abide by the ILO Core Labor Standards. It takes active steps to ensure these are implemented in its sales organization. In addition to having specific clauses in contractual agreements, the subject is also addressed on a regular basis at international sales conferences and targeted information provided for dealerships.



4. IMPLEMENTING THE BMW GROUP CODE ON HUMAN RIGHTS AND WORKING CONDITIONS

In implementing the BMW Group Code on Human Rights and Working Conditions, close reference is made to the requirements of the UN Guiding Principles on Business and Human Rights and the German Supply Chain Due Diligence Act. Based on a systematic internal risk assessment, the human rights due diligence process for the company's own business area and its suppliers and other business partners is continuously refined. Human rights are integral to the BMW Group's corporate culture, operational management processes, such as risk management, and major investment decisions.

The BMW Group communicates the Code to all its employees. Moreover, employees are familiarized with its position and expectations in training courses.



4.1. ACCOUNTABILITY

Responsibility for effective implementation of human rights due diligence is clearly regulated throughout the company and lies with the respective operating units of the BMW Group companies and business partners, who must also fulfill the due diligence obligations that apply to them.

Within the BMW Group, managers are responsible for implementing the BMW Group Code on Human Rights and Working Conditions in their area. They have an obligation to inform their employees of the content and importance of this Code and to advise and support them in implementing its principles in their day-to-day business. At the same time, managers must comply with the Code themselves in their everyday managerial work – for example, in their dealings with employees and as a basis for decision-making.

All BMW Group employees are required to comply with the BMW Group Code on Human Rights and Working Conditions and align their business activities with the principles set out in it.

If employees have questions or information relating to human rights abuses, they can raise their concerns either with their supervisors or with one of the contacts listed. Questions and comments are treated confidentially, and reports are followed up by the BMW Group Compliance function. If necessary, corrective actions will be initiated to help resolve problems early on and prevent the individuals concerned from suffering more severe consequences.

4.2. OVERSIGHT AND REGULAR REPORTING

The Board of Management of BMW AG, the Audit Committee, the Supervisory Board of BMW AG, and the Economic Committee of the General Works Council are briefed on a regular basis on the BMW Group's human rights due diligence process. This also includes the report of the Human Rights Officer, who was appointed by the Board of Management of BMW AG in December 2021. The BMW Group publishes the latest information on how human rights are being implemented both in-house and with business partners in its annual BMW Group Report.

4.3. REVIEW AND DIALOGUE

The underlying Code was developed in consultation with relevant departments of the BMW Group and the BMW European Works Council, as well as external experts and stakeholders, such as non-governmental organizations (NGO) and associations.

For companies, the challenges involved in upholding human rights are changing over time. Against this backdrop, the BMW Group will continue to verify its position on the issue and its implementation of human rights to ensure that it remains effective and up to date. This will allow it to pick up quickly on important changes in the immediate environment and adjust its internal processes accordingly. The BMW Group also reflects critically on its position in dialogue with international stakeholders.

4.4. CONTACTS

Both BMW Group employees and non-employees can reach out to the various Compliance contacts.

Employees can discuss any questions relating to compliance with their manager or Group Compliance.

Both employees and non-employees can also get in touch with the **BMW Group Compliance Contact**.

Telephone: +49 89 382-60000
Email: compliance@bmwgroup.com

Additionally, the BMW Group also offers the option of reporting possible non-compliance at the company anonymously and confidentially via the **BMW Group SpeakUP Line**.

The same applies to risks and vulnerabilities that could lead to violations of the law.

All notifications are duly checked in accordance with the relevant regulations. In particular, we respect the prohibition of discriminating against bona fide reporting persons and are bound by the presumption of innocence.

The BMW Group SpeakUP Line is available in all countries where BMW Group employees work, in more than 30 languages, via local, toll-free numbers.

More detailed information can be found on the [BMW Group website](#).



4.5. DEALING WITH QUESTIONS AND CONCERNS

Detailed questions and concerns are handled by the BMW Group Compliance department. Representatives from specialist departments, employee representatives, or external stakeholders may also be involved, depending on the individual case concerned. The individuals responsible for processing the report verify the substance of the case and take the necessary action.

If the investigation shows that the BMW Group has caused or contributed directly or indirectly to an infringement, appropriate corrective measures will be taken. Employees found guilty of violating human rights as outlined in this Code will be sanctioned in accordance with national labor laws.

FINAL PROVISIONS

The BMW Group Code on Human Rights and Working Conditions shall come into effect on the day of its signing and complements the most recent version of the previous Joint Declaration on Human Rights and Working Conditions in the BMW Group. It may not form the basis for any individual claims or claims by third parties. Only the German version of this declaration is binding.