



Extract

General Terms and Conditions for the Purchase of Goods and Services of BMW AG (Indirect Purchasing)

This is an English Translation of the German GTC and for convenience only. Only the German Version of these GTC is legally binding.

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1. Scope of Application

- 1.1 These General Terms and Conditions ("GTC") shall apply to the procurement of goods (including software) and services which are not production materials and motor vehicle parts (these goods shall be known together hereinafter as "**Indirect items**") by Bayerische Motoren Werke Aktiengesellschaft, Munich ("**BMW AG**") and its affiliates in the sense of §§ 15 ff of the German Stock Corporation Act and companies in which BMW AG has a direct or indirect holding of at least 50% (known together as the "**BMW Group**").

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17. Environment

- 17.1 During the service provision, Contractor shall use the necessary resources (in particular materials, energy and water) efficiently and shall reduce the environmental impact (in particular with respect to waste, wastewater, air pollution and noise) to a minimum. This also applies to the effort and expense of transportation and logistics.
- 17.2 Contractor shall – provided that the service provision may or will have any environmental impact – establish and maintain a certified environmental management system in accordance with the requirements of "ISO 14001" or an acknowledged and certified environmental management system derived from "ISO 14001" no later than two years following Purchase Order placement and provide evidence to BMW by submission of a corresponding certificate.
- 17.3 Provided that the supply of goods is stipulated in the contract, the additional clauses 17.3.1 to 17.3.3 shall apply.
- 17.3.1 The Contractor shall immediately upon request provide BMW with any and all information required for the quantitative assessment of Contractor's resource efficiency relating to the total annual scope of orders placed by and supplied to BMW (e.g. total energy consumption; CO₂ emissions; total water consumption; process waste water; metric tons of waste; VOC emissions). In addition, Contractor shall provide on BMW's request data for a life cycle assessment relating to Goods or parts thereof (including data with regard to the material input) according to the data collection format for life cycle assessment of the German Association of the Automotive Industry (VDA).
- 17.3.2 Polymer materials contained in Goods shall comply with the BMW requirements for Goods derived from the respective statutory targets or standards for hydrocarbon emissions of vehicles throughout the entire life cycle of the Goods. The production processes for Goods shall be adapted to comply with such BMW requirements.
- 17.3.3 Contractor shall comply with the requirements stated in BMW Group Standard GS 93008 (1 to 4) "Substances of concern" throughout the entire life cycle of the Goods. Contractor is responsible for registration and, where necessary, authorisation or notification of chemical substances contained in Goods in accordance with the statutory requirements that apply to the market concerned (e.g. according to Regulation (EC) No. 1907/2006 (REACH), EU). In the event of a chemical substance being imported into the area of application of a relevant law, Contractor assumes responsibility for all obligations such as named above and all associated expenditure. Furthermore, the Contractor will immediately upon request provide BMW with any



and all information about goods and substances contained therein, even if such goods have already been delivered, as well as declarations and confirmations, required by BMW in order to fully and timely fulfil its statutory information duties (e.g. under Art. 33 of REACH).

In the event that Goods are chemical substances, preparations or materials, Contractor shall provide BMW with "Safety Data Sheets" for these Goods.

- 17.4 The Contractor shall ensure that all and any of its subcontractors are contractually bound to comply with the terms of this Provision 17 ("Environment").

18. Social Responsibility

- 18.1 For BMW it is of paramount importance that corporate activities take account of the social responsibility to employees and society as a whole. This applies both to BMW itself and to its suppliers. BMW and Contractor acknowledge their compliance with the principles and rights set by the International Labour Organisation (ILO) in its "Declaration on fundamental principles and rights at work" (Geneva 06/98), the Directives of the UN Initiative Global Compact (Davos, 01/99) and the UN Guiding Principles on Business and Human Rights (2011). The following principles are of particular importance:

- Preservation of human rights,
- Elimination of forced, compulsory, and child labour,
- Positive and negative freedom of association,
- Elimination of discrimination on the basis of gender, origin, religion or belief, membership of a trade union or the like, handicap, age, sexual identity, nationality, marital status, political affiliation, veteran status, or other characteristics protected by local law
- Compliance with occupational health and safety standards,
- Protection from individual arbitrary personnel measures,
- Maintenance of employability by basic and advanced training,
- Maintenance of adequate social working conditions,
- Provision of conditions that enable employees to enjoy a reasonable standard of living,
- Remuneration, which permits employees to secure their livelihoods including their social and cultural participation (living wage),
- Implementation of equal opportunities and family-friendly policies,
- The protection of indigenous rights,
- Ban on bribery and blackmail,
- Compliance with current laws and regulations.

In view thereof, Contractor shall take adequate measures in order to prevent corruption offences within its company.

- 18.2 It shall be Contractor's responsibility to cause all and any of its subcontractors to act according to the regulations of this Provision 18 (Social Responsibility).

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