BMW Group supplier sustainability policy

This document summarises BMW Group’s core principles and standards for its suppliers of production materials and non-production-related supplies in accordance with globally accepted guidelines and principles. This includes a commitment to environmental and social responsibility and to the Ten Principles of the United Nations Global Compact, as well as compliance with all internationally recognised human rights and labour and social standards.

1. Resource management and environmental protection
The BMW expects all suppliers to implement a consistent environmental protection management programme, comply with environmental standards and continuously minimise their resource consumption and environmental impact.

The specific requirements are defined in the “BMW Group International Terms and Conditions for the Purchase of Production Materials and Automotive Components” and the “BMW Group Terms and Conditions for Non-Production-Related Supplies”.

2. Social responsibility
It is crucially important to the BMW Group that all business activities take account of the company’s social responsibility towards its own employees and society. This applies both to the BMW Group itself and its suppliers. All suppliers are called upon to observe the principles and rights set forth in the guidelines of the UN Initiative Global Compact (Davos, 01/99) and the “Declaration on Fundamental Principles and Rights at Work” (Geneva, 06/98) adopted by the International Labour Organisation (ILO) and to align their due diligence process with the requirements of the “UN Guiding Principles on Business and Human Rights.”

The most important of these are the respect of human dignity and internationally recognised human rights, especially the prohibition of child and forced labour and human trafficking; the prohibition of discrimination; freedom of association; the right to collective bargaining and compliance with work and safety regulations.

Compliance with these and other principles is set forth in the “BMW Group International Terms and Conditions for the Purchase of Production Materials and Automotive Components” and the “BMW Group Terms and Conditions for Non-Production Related Supplies”. The position of the BMW Group can be found in the “Joint Declaration on Human Rights and Working Conditions in the BMW Group and the BMW Group Code on Business and Human Rights.”
3. Lawful and Responsible Conduct
Responsible and lawful conduct is integral to our corporate policies. We request lawful conduct (legal compliance) not only from our associates but from all business partners, particularly with regard to corruption and fraud prevention as well as anti-trust matters, taxation regulations, data protection and export control. In order to ensure such adherence, the BMW Group expects its business partners to implement an adequate and effective Compliance Management System within their organizations.

4. Preventing the flow of funds to armed groups and conflicts
Trade in certain raw materials, such as tin, tungsten, tantalum and gold from high-risk countries like the Democratic Republic of the Congo, can provide armed groups with funding and lead to extreme acts of violence and human rights abuses.
The BMW Group aims to use only raw materials whose extraction, transport, trade, processing and export neither directly nor indirectly provide funding to conflicts and human rights abuses in its components.

5. Implementation of these standards in the supply chain
All suppliers are called upon to make contractual arrangements to ensure all their subcontractors comply with the standards and rules set out in this document. This should be documented and communicated in a supplier policy for sustainable procurement.
The BMW Group also expects its suppliers to identify risks within their supply chains and take appropriate measures to address them. In the case of a suspected violation and to provide security for supply chains with increased risk, the BMW Group requires disclosure of relevant supply chains.
With regard to the conflict minerals tin, tungsten, tantalum and gold, as well as other raw materials, such as cobalt, the BMW Group establishes processes in accordance with the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” and expects its suppliers to do the same. Smelters and refiners without adequate, audited due diligence processes in place should be avoided.

The BMW Group participates in initiatives aimed at establishing the standards and rules set out in this document in raw material supply chains. Raw materials should be obtained from audited sources as a matter of principle wherever possible.
6. Ensuring compliance, consequences of misconduct and grievance mechanism

The BMW Group verifies compliance with the standards and rules set out in this document by means of a self-assessment questionnaire and sustainability audits at production locations in the supply chain.

The BMW Group reserves the right to take appropriate measures against suppliers that do not fulfil these requirements, up to and including suspension or termination of a supply relationship.

In case of (possible) violations in the supply chain against the above-mentioned requirements please contact (anonymously) +49 89 382-71230 by phone or humanrights.sscm@bmwgroup.com via e-mail.

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