

# DUE DILIGENCE IN THE SUPPLIER NETWORK. MODERN SLAVERY ACT 2015.

PROGRESS REPORT 2018

COUNTRIES WITH HIGH RISK OF HUMAN RIGHTS ABUSES.



March 2019

**BMW  
GROUP**

THE NEXT  
100 YEARS



# INTRODUCTION INTO THE PROCESS OF THE BMW GROUP TO ENSURE DUE DILIGENCE IN THE SUPPLIER NETWORK.

The following numbers are based on analysis of the data we collected via the supply chain due diligence process of the BMW Group. The analysis focuses on criteria relating to the key aspects of the [Modern Slavery Act 2015 \(MSA 2015\)](#).

The scope of the analysis includes four countries; China, Hungary, South Africa and Mexico. These countries represent important sourcing markets for the BMW Group, but also have an increased risk of [human rights abuses](#).

One important tool for the identification of gaps within the sustainability performance of our supplier is the standardized self-assessment questionnaire of the automotive industry (OEM SAQ). It was developed by the European initiative Drive Sustainability. Since 2014, the BMW Group has been using this system to implement the following core elements of human rights due diligence:

- [Identify actual and potential adverse impacts on human rights](#)
- [Measures to prevent potential negative impacts](#)
- and the verify the [effectiveness](#) of these measures.

Based on the data of this externally validated self-assessment, the progress report shows the sustainable development of [642 BMW Group suppliers](#) for the [period of 2017-2018](#).

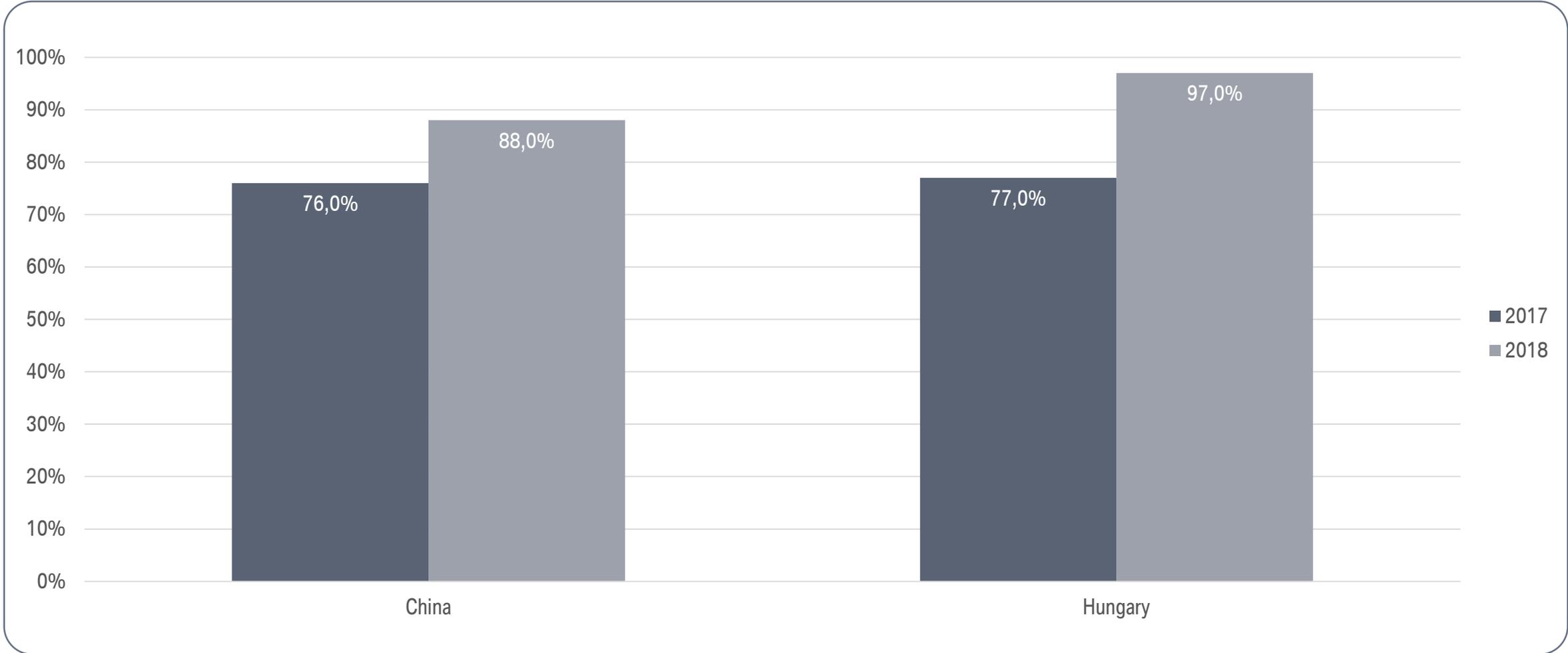
# OVERVIEW ON IMPORTANT SUSTAINABILITY REQUIREMENTS FOR THE MSA 2015.

The following table provides an overview to the individual sustainability requirements that are addressed with suppliers by the BMW Group's operational purchasing department using the OEM SAQ. If deficits are identified, corrective measures and a target date for implementation by operative purchasing are agreed with the supplier.

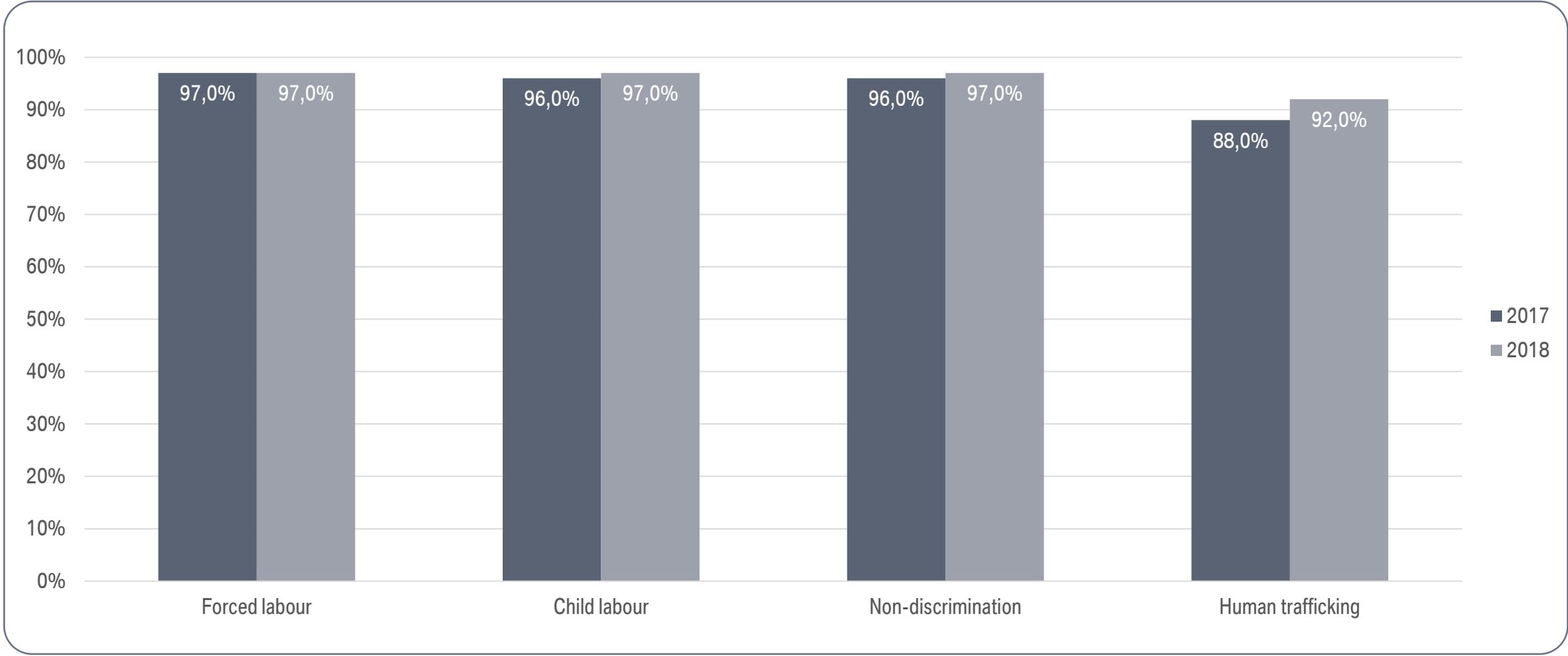
## Requirements for the BMW suppliers:

- The existence of a company policy, which covers the aspects of child labour and young workers, forced or compulsory labour and human trafficking as well as non-discrimination.
- The presence of social sustainability responsible management person.
- The Existence of a code of conduct.
- The supplier organises training sessions to enhance the understanding of sustainability.
- The supplier has a process in place to ensure the sustainability requirements by their sub-suppliers.

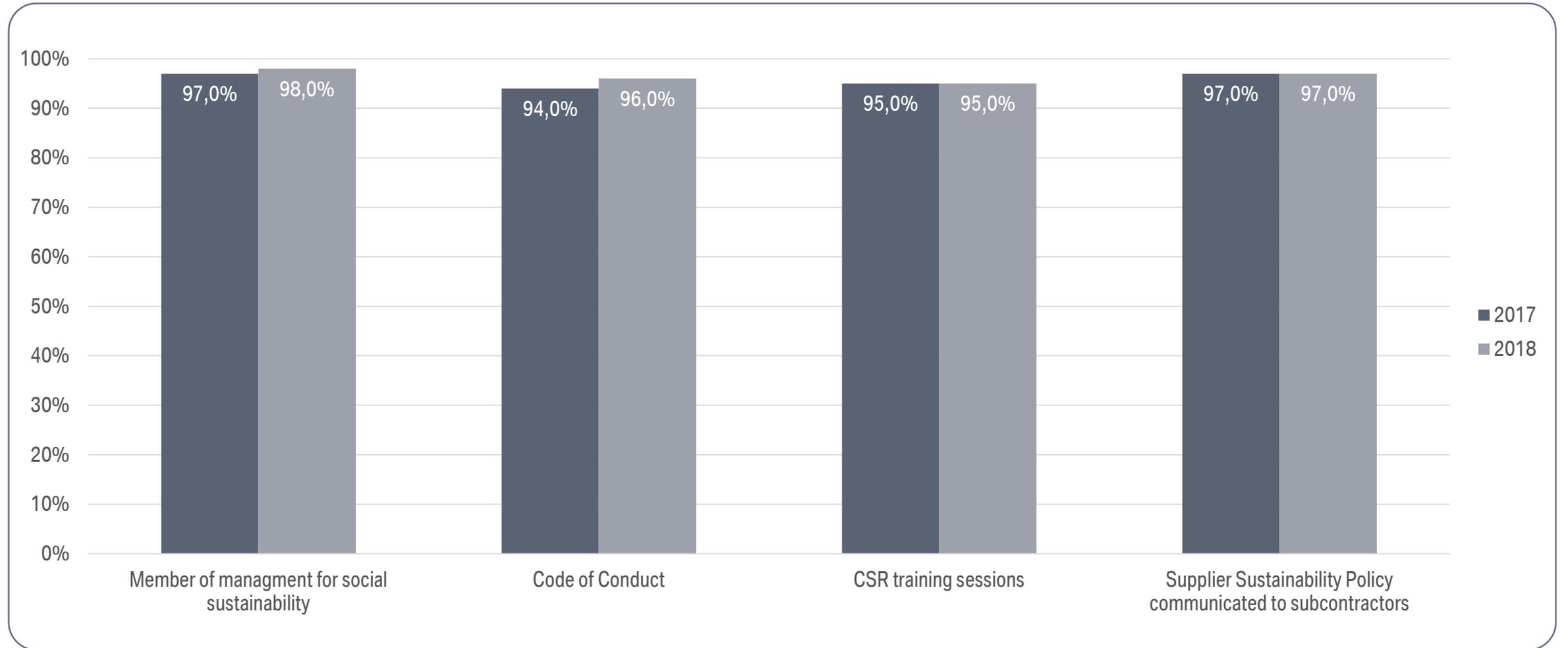
# PERCENTAGE OF ALL SUPPLIER LOCATIONS IN CHINA AND HUNGARY WHICH FULFILL ALL OF THE MSA 2015 RELEVANT SUSTAINABILITY REQUIREMENTS.



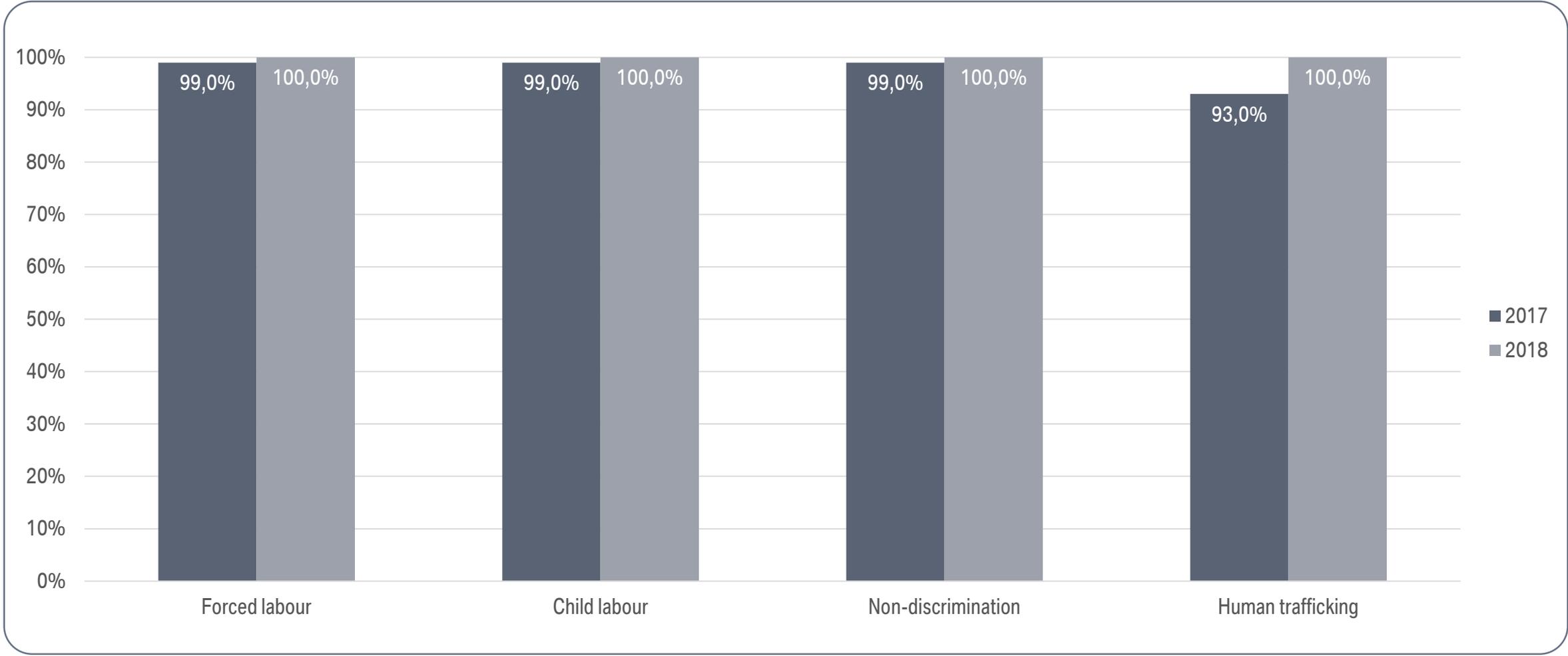
# PERCENTAGE OF CHINESE SUPPLIERS WHOSE CORPORATE POLICY COVERS THE FOLLOWING HUMAN RIGHTS ASPECTS.



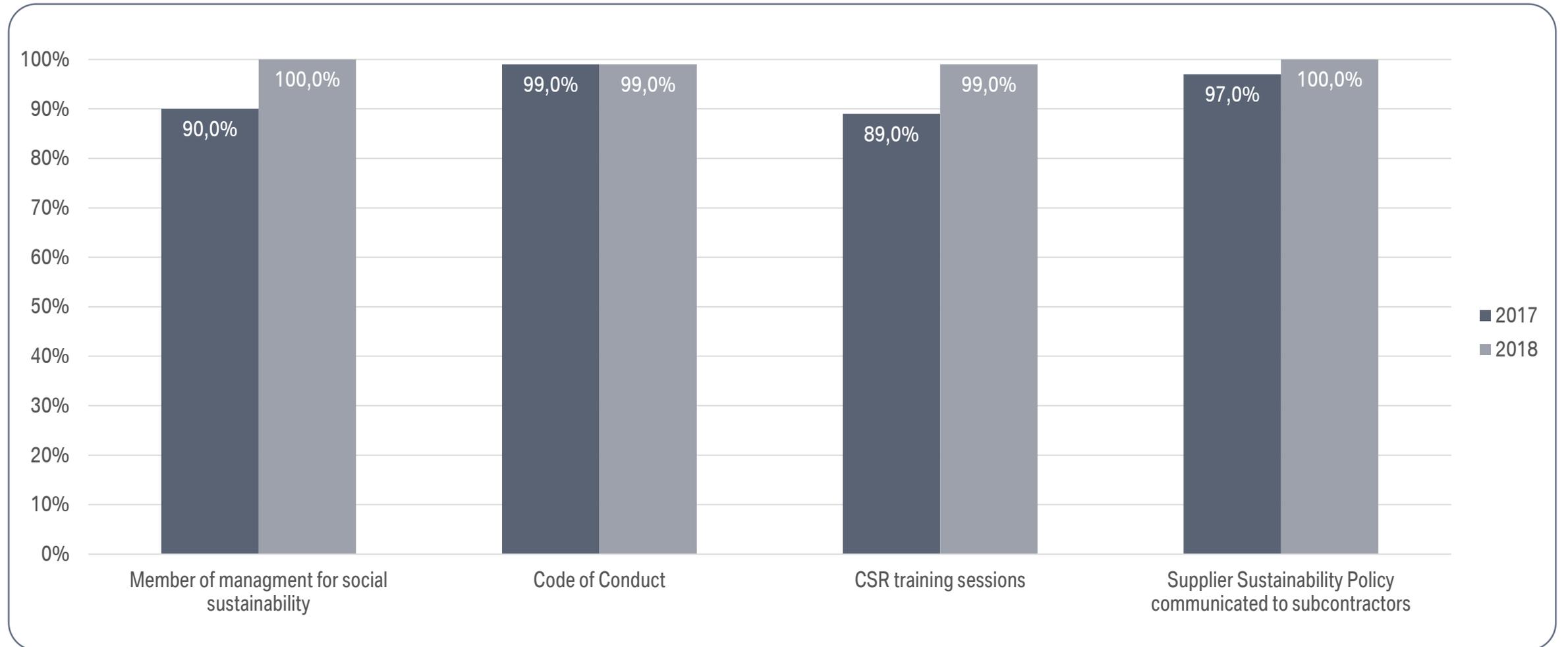
# PERCENTAGE OF CHINESE SUPPLIERS WHO HAVE IMPLEMENTED THE FOLLOWING MSA 2015 RELEVANT REQUIREMENTS.



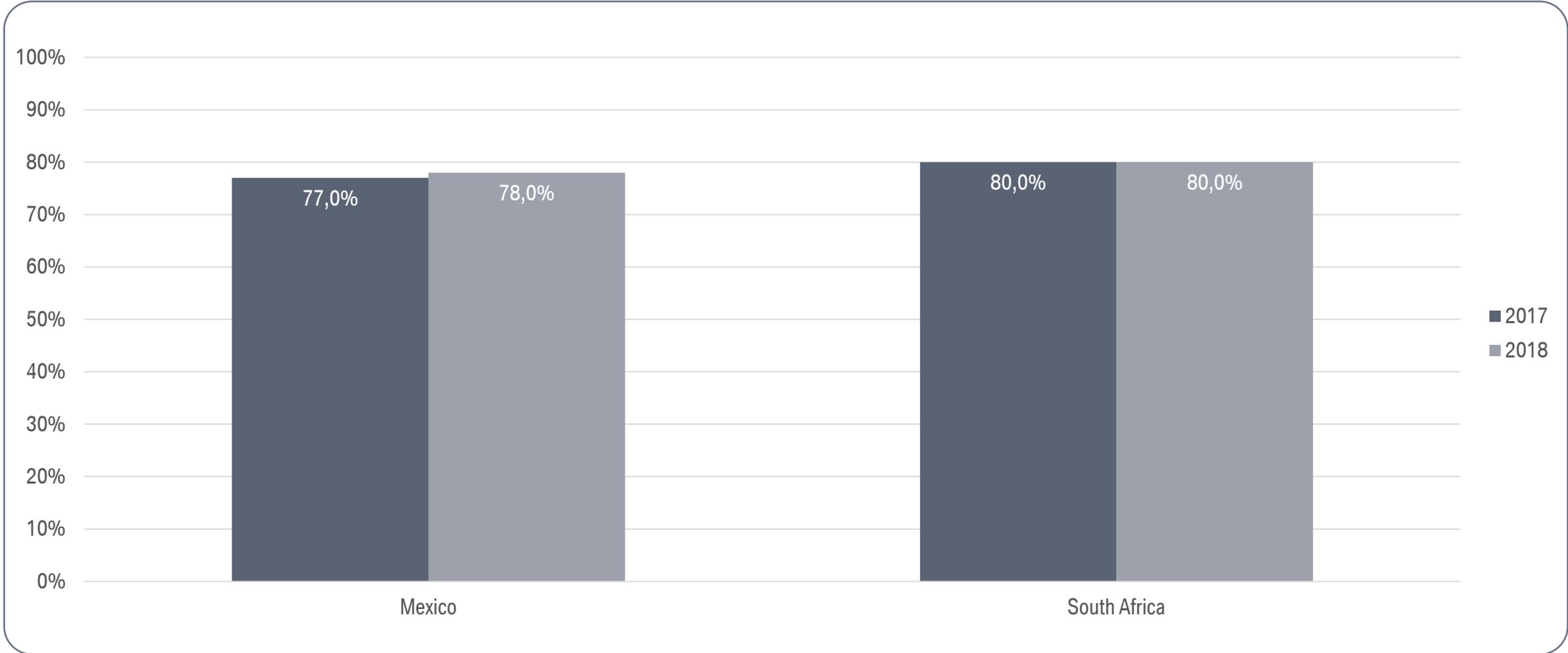
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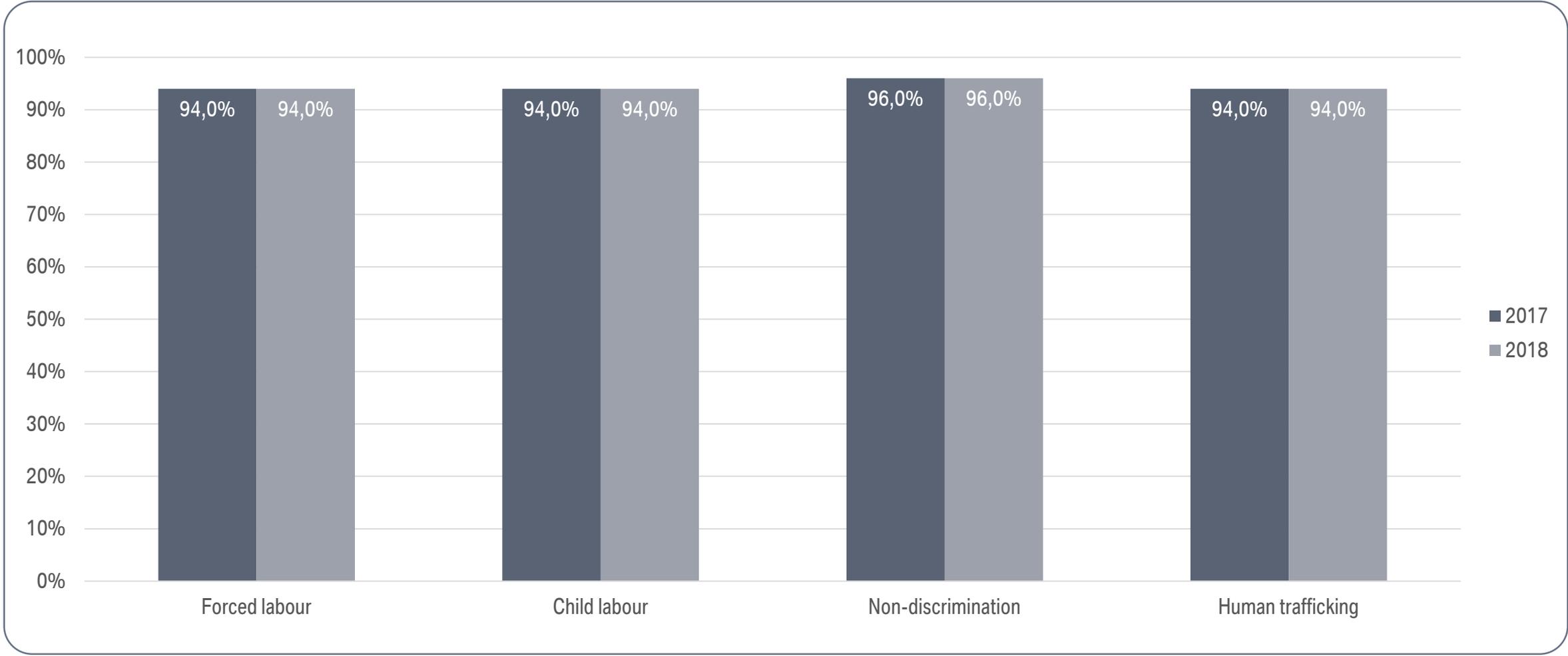
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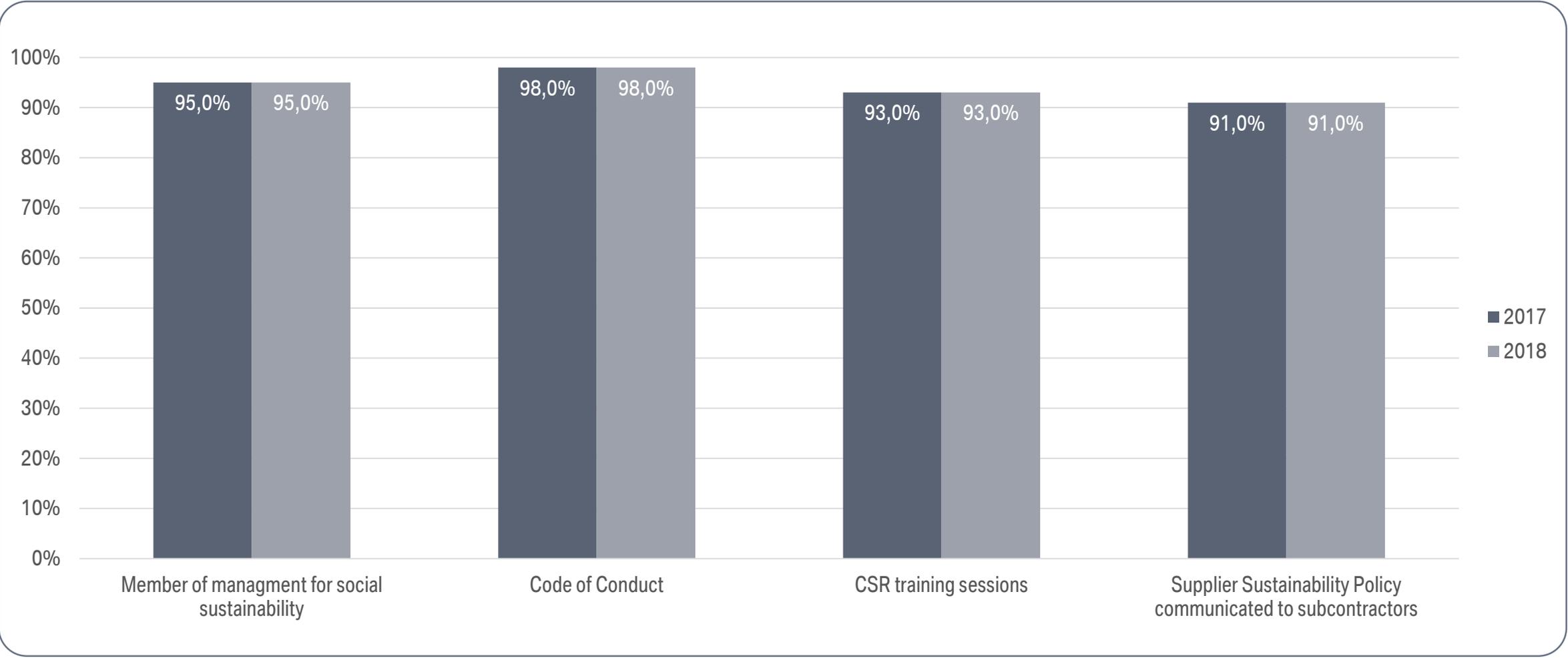
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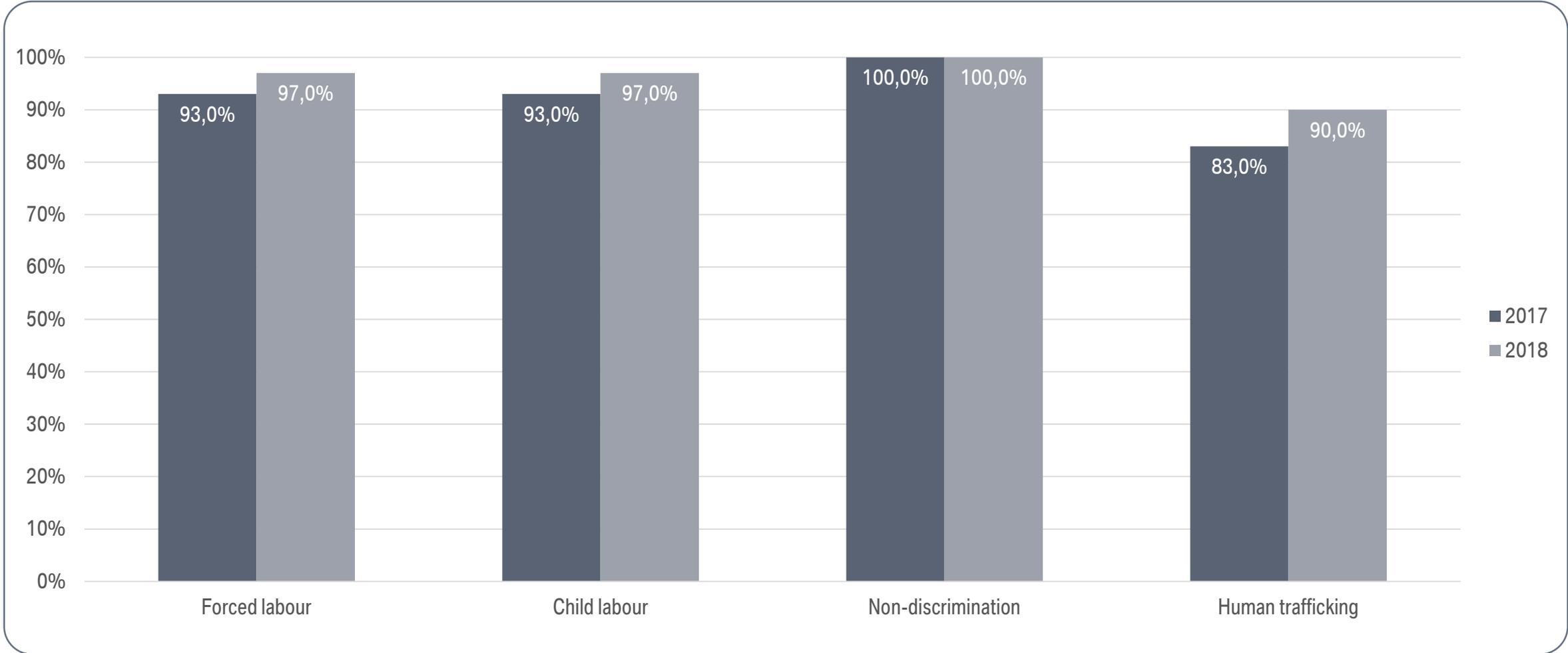
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# PERCENTAGE OF MEXICAN SUPPLIERS WHO HAVE IMPLEMENTED THE FOLLOWING MSA 2015 RELEVANT REQUIREMENTS.



# PERCENTAGE OF SOUTH AFRICAN SUPPLIERS WHOSE CORPORATE POLICY COVERS THE FOLLOWING HUMAN RIGHTS ASPECTS.



# PERCENTAGE OF SOUTH AFRICAN SUPPLIERS WHO HAVE IMPLEMENTED THE FOLLOWING MSA 2015 RELEVANT REQUIREMENTS.

