

SUSTAINABILITY QUESTIONNAIRE FOR SUPPLIERS. REQUIREMENTS, THRESHOLD AND EVALUATION.

VALID FROM JANUARY 1, 2019, VERSION SAQ 3.0.



MZ-11 | May 2019
Fischl



THE SUSTAINABILITY QUESTIONNAIRE IS A SELF-ASSESSMENT FOR SUPPLIERS AND BASIS FOR BMW'S EVALUATION OF THEIR SUSTAINABILITY PERFORMANCE.

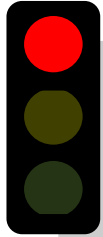
The ‚sustainability questionnaire‘ is a **self-assessment** for suppliers regarding environmental, social and ethical aspects of their business. It is a standardized tool used by several automotive OEMs. The BMW Group uses this questionnaire to individually **evaluate the sustainability performance** of supplier production and delivery locations. Basis for the evaluation are the requirements set in the supplier sustainability policy and the purchasing conditions (please refer to slide 7). The result is **required for the nomination process** of supplier locations of direct material with a purchasing volume of more than € 2m and supplier locations of indirect material with a purchasing volume of more than € 10m .

Following topics are covered in 23 groups of questions:

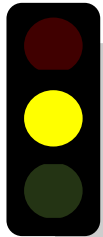
- A. Company management (general)
- B. Working conditions and human rights
- C. Business ethics
- D. Environment
- E. Supplier management
- F. Responsible sourcing of raw materials
- G. Additional information

In the following the BMW-specific evaluation logic of the questionnaire (traffic light system) will be explained.

THE SUSTAINABILITY STATUS OF A SUPPLIER IS BASED ON A BMW-SPECIFIC EVALUATION LOGIC (TRAFFIC LIGHT SYSTEM).



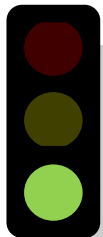
- Non-compliance of supplier regarding BMW-specific requirements
 - No corrective action plan incl. due date (before start of production (SOP)) agreed with buyer
- **Nomination not allowed**



- Non-compliance of supplier regarding BMW-specific requirements
 - Corrective action plan incl. due date (before SOP) agreed with buyer in written form
- **Nomination allowed with restriction**



Date before SOP



- Compliance of supplier regarding BMW-specific requirements
 - No further need for corrective actions
- **Nomination allowed without any restriction**



BMW GROUP SUSTAINABILITY REQUIREMENTS FROM SAQ 3.0 WHICH PROHIBIT NOMINATION IN CASE OF NON-COMPLIANCE. SLIDE 1/3.

Question	Requirement (valid from January 1, 2019)	Threshold: Company size*
1a	Senior management responsible for social sustainability	> 500 HC
1 b	Senior management responsible for compliance	> 500 HC
1 c	Senior management responsible for environmental sustainability	> 500 HC
2	Publication of a CSR-/sustainability report	> 500 HC
3	Code of Conduct	> 500 HC
4/4a	Training regarding CSR/sustainability, i.e. the following topics: <ul style="list-style-type: none">- Environment- Working conditions and human rights	> 500 HC > 500 HC

*Headcount (HC) company-wide

BMW GROUP SUSTAINABILITY REQUIREMENTS FROM SAQ 3.0 WHICH PROHIBIT NOMINATION IN CASE OF NON-COMPLIANCE. SLIDE 2/3.

Question	Requirement (valid from January 1, 2019)	Threshold: Company size*
7	Policy regarding the following social topics: <ul style="list-style-type: none"> - Child labour and young workers - Wages and benefits - Working hours - Forced or compulsory labour and human trafficking - Freedom of association and collective bargaining - Non-discrimination 	> 50 HC
9	Health and safety policy	> 50 HC
10	Certified health and safety management system according to BS OHSAS 18001 resp. ISO 45001 or similar	> 500 HC
13	Environmental policy	> 50 HC
14	Certified environmental management system according to ISO 14001, EMAS or similar	> 50 HC

*Headcount (HC) company-wide

BMW GROUP SUSTAINABILITY REQUIREMENTS FROM SAQ 3.0 WHICH PROHIBIT NOMINATION IN CASE OF NON-COMPLIANCE. SLIDE 3/3.

Question	Requirement (valid from January 1, 2019)	Threshold: Company size*
19/19a	CSR-/sustainability requirements for suppliers regarding the following topics: <ul style="list-style-type: none"> - Child labour and young workers - Wages and benefits - Working hours - Forced or compulsory labour and human trafficking - Freedom of association and collective bargaining - Health and safety - Non-discrimination - Energy consumption and greenhouse gas emissions - Water quality and consumption - Air quality - Natural resources management and waste management - Responsible chemical management 	> 100 HC
19c	Communicate CSR-/sustainability requirements to suppliers	> 100 HC
20	Review process regarding the implementation of sustainability requirements at suppliers	> 100 HC

*Headcount (HC) company-wide

BACKGROUND INFORMATIONEN CAN BE FOUND UNDER THE FOLLOWING LINKS OF BMW GROUP AND DRIVE SUSTAINABILITY.

- **BMW Group Supplier Sustainability Policy:**
https://www.bmwgroup.com/content/dam/bmw-group-websites/bmwgroup_com/responsibility/downloads/en/2017/BMW%20GROUP%20Supplier%20Sustainability%20Policy.pdf
- **BMW Group Reference Document Sustainability:**
https://www.bmwgroup.com/content/dam/bmw-group-websites/bmwgroup_com/responsibility/downloads/en/2018/BMW_Group_Referencedocument_Sustainability.pdf
- **BMW Group International Terms and Conditions for the Purchase of Production Materials and Automotive Components:**
<https://b2b.bmw.com/en/web/b2b/einkauf-direktes-material>
- **BMW Group General Terms and Conditions for Indirect Purchasing:**
<https://b2b.bmw.com/en/web/b2b/einkauf-indirektes-material>
- **Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain:**
https://www.csreurope.org/sites/default/files/Guiding_Principles_july2016.pdf
- **Global Automotive Sustainability Practical Guidance:**
<https://drivesustainability.org/wp-content/uploads/2017/12/Practical-Guidance.pdf>
- **Self-Assessment Questionnaire on CSR/Sustainability for Automotive Sector Suppliers:**
https://drivesustainability.org/wp-content/uploads/2018/10/CSR-DriveSustainability_SAQ-FORM_A4_EN_FINAL_hq_copyright.pdf

YOU NEED HELP? YOUR CONTACT AT BMW GROUP AND NQC.

Questions regarding the **BMW-specific evaluation** of individual requirements in terms of the nomination process can be addressed to your BMW Group buyer or the Sustainable Supply Chain Management (SSCM) Team.

- Help and support for suppliers in the web: please refer to links on the previous slide
- E-mail: sscm@bmw.de

**BMW
GROUP**

For technical questions regarding the SAQ process and the NQC platform as well as questions regarding the content, e.g. definition of requirements please contact our service provider NQC Ltd. directly.

- Help and support for suppliers in the web: <https://supplierassurance.com/help/auto/suppliers>
- E-mail: auto.support@nqc.com
- Phone: +44 (0) 845 299 2996 (multi-lingual)

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