

SUSTAINABILITY QUESTIONNAIRE FOR SUPPLIERS. BMW-SPECIFIC EVALUATION OF SAQ.

BASED ON SAQ 4.0 (SELF-ASSESSMENT QUESTIONNAIRE) IN NQC



October 2021

**BMW
GROUP**



ROLLS-ROYCE
MOTOR CARS LTD

THE SUSTAINABILITY QUESTIONNAIRE IS A SELF-ASSESSMENT FOR SUPPLIERS AND BASIS FOR THE EVALUATION OF SUSTAINABILITY REQUIREMENTS.

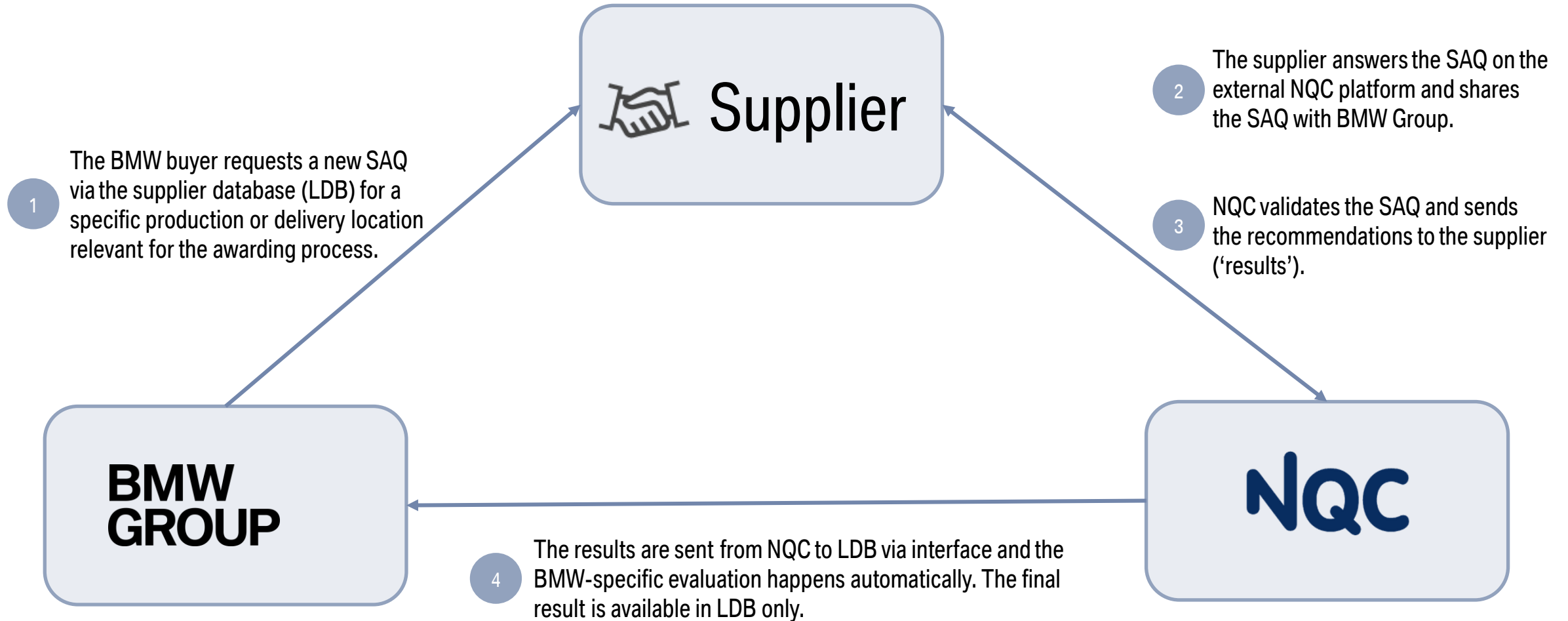
The ,sustainability questionnaire‘ by Drive Sustainability is a **self-assessment** for supplier locations regarding environmental, social and compliance/governance aspects of their business activities. It is a standardized tool and it is used by several automotive OEMs. The BMW Group uses this questionnaire to individually **evaluate the sustainability requirements** of supplier **production and delivery locations**. Basis for the evaluation are the requirements set in the supplier sustainability policy and the international purchasing (IPC) conditions of direct purchasing and General Terms and Conditions (GTC) of indirect purchasing, respectively. An evaluation 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 17 groups of questions:

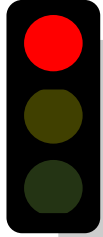
- A. Company management (general)
- B. Working conditions and human rights
- C. Health and safety
- D. Business ethics
- E. Environment
- F. Supplier management
- G. Responsible sourcing of raw materials
- H. Additional information

In the following, the BMW-specific evaluation logic of the questionnaire (traffic light system) will be explained. Please note: for antitrust reasons, the OEMs are not allowed to rate the joint sustainability questionnaire uniformly. Therefore, the NQC platform only shows an indicative rating for the questionnaire. The completed questionnaire is finally evaluated by BMW Group. This is decisive for the award (see page 4 for the traffic light logic and from page 5 the BMW Group specific requirements).

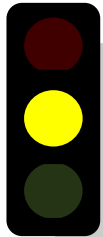
SUPPLIERS HAVE TO REGISTER ON THE NQC PLATFORM TO ANSWER THE SAQ AND SHARE IT WITH BMW GROUP. PROCESS OVERVIEW.



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



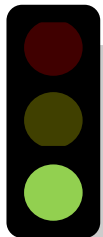
- Non-compliance of supplier regarding BMW-specific requirements
 - No corrective action plan incl. due date (before start of production (SOP)) agreed with buyer
- **Nomination not allowed**



- 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**



SUSTAINABILITY REQUIREMENTS FOR BMW GROUP SUPPLIERS. SAQ VERSION 4.0 – VALID FOR CALENDAR YEAR 2020. (PAGE I/III)

Question	Requirements	Threshold*
1a	Management person responsible for social sustainability	≥ 500 HC
1 b	Management person responsible for compliance	≥ 500 HC
1 c	Management person responsible for environmental sustainability	≥ 500 HC
2	Publish a CSR-/sustainability report	≥ 500 HC
3	Code of conduct	≥ 500 HC
5/5a	Policy on working conditions and human rights covering: <ul style="list-style-type: none">- Child labour and young workers- Wages and benefits- Working hours- Modern slavery- Freedom of association and collective bargaining- Harassment and non-discrimination	≥ 50 HC

*Headcount (HC) on parent company level, not site

SUSTAINABILITY REQUIREMENTS FOR BMW GROUP SUPPLIERS. SAQ VERSION 4.0 – VALID FOR CALENDAR YEAR 2020. (PAGE II/III)

Question	Requirements	Threshold*
7	Health and safety policy	≥ 50 HC
8	Certified health and safety management system according to ISO 45001 or similar	≥ 500 HC
10	Environmental policy	≥ 50 HC
11	Certified environmental management system according to ISO 14001, EMAS or similar	≥ 50 HC

*Headcount (HC) on parent company level, not site

SUSTAINABILITY REQUIREMENTS FOR BMW GROUP SUPPLIERS. SAQ VERSION 4.0 – VALID FOR CALENDAR YEAR 2020. (PAGE III/III)

Question	Requirements	Threshold*
15/15a	CSR-/sustainability requirements towards suppliers covering: <ul style="list-style-type: none"> - Child labour and young workers - Wages and benefits - Working hours - Modern slavery - Freedom of association and collective bargaining - Harassment and non-discrimination - Health and safety - GHG emissions, energy efficiency and renewables - Water quality and consumption - Air quality - Sustainable resources management and waste reduction - Responsible chemical management 	≥ 100 HC
15b	Communicate CSR-/sustainability requirements to suppliers	≥ 100 HC

*Headcount (HC) on parent company level, not site

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

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

- General information for suppliers on the web:
<https://www.bmwgroup.com/en/responsibility/supply-chain-management.html>
(i.e. under: Supply Chain Due Diligence / Downloads)
- SAQ Toolbox for suppliers from Drive Sustainability:
<https://www.drivesustainability.org/saq-toolbox>
- E-mail:
sscm@bmw.de

For technical questions regarding the **SAQ process** on 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>
- Live chat and ,contact us‘ form:
<https://supplierassurance.com/contact>
- E-mail:
auto.support@nqc.com
- Phone:
+44 (0) 161 413 7983 (multi-lingual)

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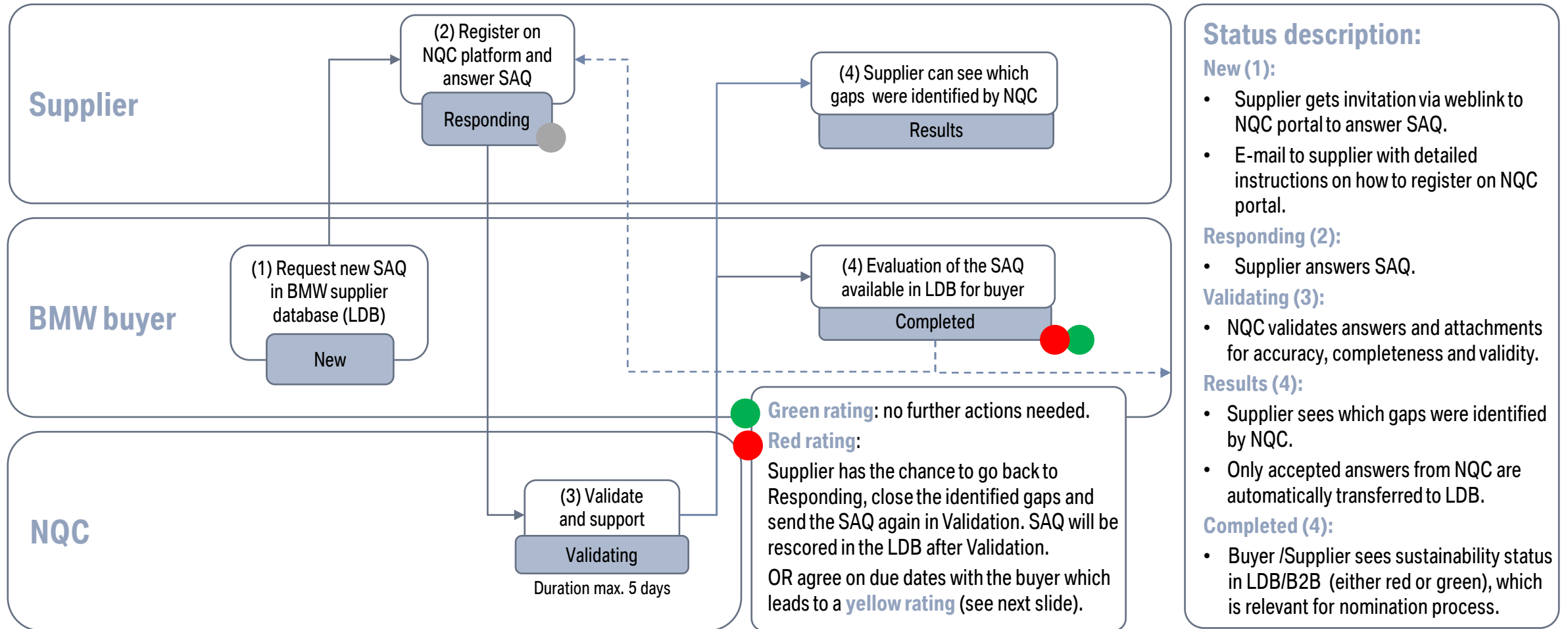
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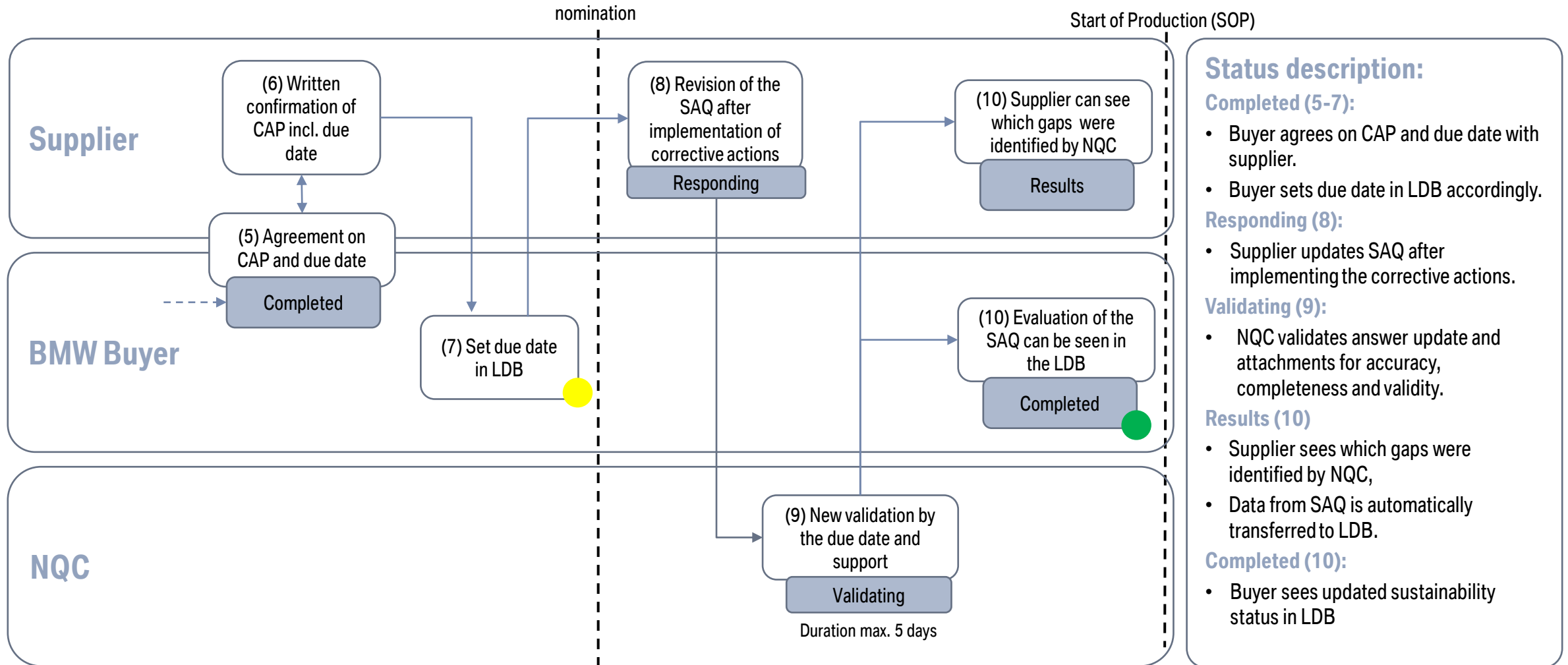
BACK UP.

PROCESS DESCRIPTION & FAQ.








SAQ WORKFLOW FOR SUPPLIERS AND BUYERS OF THE BMW GROUP. INVITE A SUPPLIER AND COMPLETE A QUESTIONNAIRE.



SAQ WORKFLOW FOR SUPPLIERS AND BUYERS OF THE BMW GROUP. AGREE CORRECTIVE ACTION PLAN (CAP) AND DUE DATE IN CASE OF GAPS.



NOMINATION OF SUPPLIER LOCATION REQUIRES SUSTAINABILITY EVALUATION. OVERVIEW SAQ STATUS IN LDB.

Status SAQ in LDB	Explanation of status	Task buyer/supplier	Is the supplier able to be awarded?
White 	Sustainability rating in LDB is not available, yet.	Buyer to request a new SAQ via LDB, if no SAQ available for supplier location. OR Supplier to share an existing SAQ with BMW Group (please contact SSCM-Team).	No.
Grey 	Supplier is currently responding, but has not yet completed the SAQ.	Buyer must ask supplier to complete SAQ. Supplier must finish SAQ.	No.
Red 	Supplier has completed SAQ and does not meet BMW-specific requirements or a certificate has expired.	<p>Option 1: Close identified gaps on NQC platform Supplier goes back to the questionnaire, edits the identified gaps and sends the SAQ again for validation. The SAQ will be rescored in the LDB after validation. If all BMW-specific sustainability requirements are met, a green status is achieved. </p> <p>Option 2: Agree upon corrective action plan (CAP) including due dates Buyer and supplier agree upon a corrective action plan (CAP) including due dates. Due dates are set in the LDB and a yellow rating is achieved. </p>	No.
Yellow 	Supplier has completed SAQ and does not meet BMW-specific requirements. Buyer and supplier have agreed upon corrective action plan incl. due date (before SOP).	Supplier implements corrective actions. Buyer monitors implementation.	Yes, but supplier must achieve a green status and meet all requirements before SOP.
Green 	Supplier has completed SAQ and meets BMW-specific requirements.	None.	Yes.