

# BMW GROUP ANTI-DEFORESTATION POLICY.

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BMW  
GROUP



ROLLS-ROYCE  
MOTOR CARS LTD

The BMW Group recognizes that forests provide both the company and society with important resources and ecosystem services. In acknowledgment of this, the company is committed to helping to minimize deforestation and forest degradation.

This document sets out the BMW Group's commitment to deforestation-free procurement in line with relevant regulations and industry standards. These include the legal requirements of the European Union Deforestation Regulation (EUDR), the guidelines of the Accountability Framework Initiative (AFI), the Policy Framework of the Global Platform for Sustainable Natural Rubber (GPSNR), and the Deforestation-Free Call to Action for Leather (DFCTA).

The BMW Group expects its suppliers to protect and conserve forests by advocating responsible land use. The BMW Group excludes relevant raw materials or products sourced from deforested, degraded, or illegally logged forests. In addition, the current BMW Group regulations on human rights and the environment apply (see references).

The BMW Group is aware that establishing supply chains free from deforestation requires collaboration across industries. It promotes cooperation and partnerships to protect forests and other wooded areas.

The BMW Group is taking the following measures to implement its commitment:

- **Due diligence & traceability**

The BMW Group has a due diligence process in place to ensure adequate access to information and to assess the potential risks of deforestation, forest degradation, and legal violations within the relevant supply chains. If risks are identified, the BMW Group takes measures to mitigate and remedy them.

The BMW Group acts based on the collected information in order to:

- connect with suppliers and supply chain actors to raise awareness about deforestation and address and correct potential violations,

- engage with smallholder farmers, forest and plantation managers, and other businesses along the value chain,
- make high-risk supply chains transparent right back to the source of the raw material,
- analyze the relevant risks (e.g. social and ecological risks),
- implement risk mitigation measures aimed at excluding risks. This could lead to the exclusion of certain sourcing regions, where high risks prevail or where risks cannot be reduced to a negligible level.
- use third-party verification or certification systems (e.g. FSC – Forest Stewardship Council, LWG – Leather Working Group) to ensure the safety and credibility in terms of product traceability and conformity,
- initiate third-party supplier audits at sub-suppliers if required, and
- support the further development of certification systems.

To fulfill its obligation to protect forests, the BMW Group is involved in the following areas:

- Initiatives with stakeholders such as governments, civil society, and other undertakings,
- Participation in projects that protect or restore natural ecosystems in cooperation with local organizations and affected communities.

- **Complaints procedures**

The BMW Group's complaints channels are aimed at all external and internal stakeholders (including employees, suppliers, communities, and other third parties) to report potential violations of legal requirements or internal regulations.

Suppliers are also expected to have their own grievance mechanisms in place and to proactively report any potential violations within their supply chains to the BMW Group.

In the event that a supplier refuses to implement corrective measures, the BMW Group will consider changes to the supply chain. If necessary, we will

temporarily suspend the business relationship as part of the BMW Group's escalation process. The business relationship will only be terminated if no other effective means are available and the BMW Group cannot further increase its ability to influence.

#### - **Monitoring and reporting**

The BMW Group has a due diligence process in place to ensure that commitments to maintaining deforestation-free supply chains are fulfilled.

The concerned suppliers are required to disclose upon request appropriate information on their due diligence obligations regarding deforestation-free practices and compliance with the law. Risk mitigation measures must be implemented timely.

The progress of these activities is reported annually within the framework of the EUDR, GPSNR, and LWG activities.

If the BMW Group is contacted by a competent authority as part of a review, all necessary documents will be provided.

This policy will be regularly reviewed and updated to comply with relevant national and international laws and standards.

#### **Additional raw-material-specific requirements**

##### - **Natural rubber**

In addition, the BMW Group requires its suppliers who use natural rubber to implement a due diligence system that complies with the GPSNR policy framework for the production and procurement of natural rubber. A complete statement titled "High-Level Commitment of the BMW Group for Sustainable Natural Rubber", meeting the requirements of the GPSNR, was published in 2021 on [bmwgroup.com](http://bmwgroup.com) (see references).

##### - **Leather**

Cattle ranching continues to be a major potential driver of deforestation and land conversion worldwide. In 2023, the

BMW Group signed the Deforestation-Free Call to Action (DFCTA) of the Leather Working Group (LWG), Textile Exchange, and the World Wildlife Fund (WWF). The DFCTA is a commitment to source cowhides (including stamped parts) and components containing cowhide from supply chains that are free from deforestation and land conversion impacts by 2030. At the latest by the time the EUDR takes effect, the BMW Group will ensure that all procured EUDR-relevant products containing cowhide are produced legally and without deforestation. For newly nominated products from leather suppliers, transparency throughout the supply chain up to the slaughterhouse is required. In accordance with the DFCTA, the BMW Group will require complete mapping of the leather supply chains down to the farm level (birthing farm) by the end of 2029 at the latest. From 2030 onwards, it aims to source cowhides exclusively from sources verified as deforestation-free by independent third parties.

#### **REFERENCES – BMW GROUP**

- [BMW Group Code on Human Rights and Working Conditions](#)
- [BMW Group Policy Statement on Respect for Human Rights](#)
- [BMW Group complaints mechanism](#)
- [BMW Group Supplier Code of Conduct](#)
- [High-Level Commitment of the BMW Group for Sustainable Natural Rubber](#)
- [BMW Group Biodiversity Policy](#)

#### **REFERENCES – EXTERNAL**

- [EUDR: \(EU\) 2023/1115 Regulation on Deforestation-free Products](#)
- [Global Platform for Sustainable Natural Rubber \(GPSNR\)](#)
- [Deforestation-Free Call to Action for Leather \(Call2Action\)](#)
- [Accountability Framework Initiative \(AFi\)](#)