

**BMW Group Supplier Code of Conduct**

**(BMW Group Supplier Sustainability Policy)**

Version 3.0, valid as of 12/6/2022

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## Foreword

The aim of the BMW Group<sup>1</sup> is to be a successful and sustainable premium supplier for individual mobility. We can only achieve this by anchoring due diligence obligations within our processes, and by being able to build on a global supplier network that shares these values. Our 'Policy Statement on Respect for Human Rights and corresponding Environmental Standards' describes the commitment made by the BMW Group and the established due diligence processes. We expect you, as our supplier, also to meet the sustainability standards by which we measure ourselves.

This Supplier Code of Conduct sets out the details of the guiding principles listed in the 'Policy Statement on Respect for Human Rights and corresponding Environmental Standards' for the global supplier network. These are based on legal regulations, such as the German supply chain due diligence act (Lieferkettensorgfaltspflichtengesetz, LkSG), as well as internationally recognized standards such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, as well as the ILO core labor standards and the principles of the UN Global Compact. This document defines the minimum requirements that you are to observe and meet as a supplier to the BMW Group as well as our clear expectations. We expect you, as our business partner, to ensure that these requirements and expectations are also passed on appropriately to your downstream partners in the supplier network. Compliance with the minimum requirements outlined in these standards is a binding part of the BMW Group terms and conditions of purchase – for suppliers of production materials and vehicle components, these are the 'BMW Group International Terms and Conditions for the Purchase of Production Materials and Automotive Components' (IPC), and for suppliers of non-production-related material, they are the 'General Contractual Terms for Indirect Purchasing' (AVB). Depending on risks specific to particular countries and groups of goods, as well as additional criteria such as the company size, suppliers / supplier locations may be exempted from the obligation to implement the requirements marked with a \* in this Supplier Code of Conduct.<sup>2</sup>

Partnerships based on cooperation within our supplier network are extremely important to us. We believe that we can only improve our sustainability performance through continuous supplier development and consistent supplier and sub-supplier management. In view of the complexity and dynamics of our n-tier supplier network,

<sup>1</sup> BMW Group refers to the BMW AG and entities in which BMW directly or indirectly holds at least 50 % of shares.

<sup>2</sup> These requirements are the BMW-specific requirements in self-assessment questionnaires that are requested as part of the nomination process. Suppliers will be informed of the obligations that apply to them via the BMW supplier database and in the self-assessment questionnaire. Details on the self-assessment questionnaire:

<https://b2b.bmw.com/group/b2b/umwelt-und-sozialstandards> (also accessible manually via the B2B portal: Collaboration > Sustainability > Environmental and social standards > Downloads).

we depend on joint efforts with all our direct suppliers to achieve greater transparency and effectiveness.

Your cooperation as a supplier is crucial to the success of this and is the basis for our business relationship.

## I Requirements for Suppliers of the BMW Group

The requirements for suppliers that are set out below are derived from a range of sources, including regulatory requirements and our risk-based approach. We conduct risk analyses regularly for our direct<sup>3</sup> suppliers and on an ad hoc basis for our indirect<sup>4</sup> suppliers.

### 1 Responsible Business Practices

Acting responsibly and in accordance with the law is an integral part of our corporate values. The basic requirement is consistently lawful business activity for the BMW Group. The supplier shall comply with all legal requirements that apply to its product and business operations, including those of antitrust and competition law, corruption prevention, money laundering prevention, export control, and data protection.

The supplier shall establish a competent body for Compliance / Business Ethics, as well as create a Code of Conduct (or, for example, implement the Code of Conduct of the Responsible Business Alliance (RBA), the Drive Sustainability Guiding Principles or the BMW Group Supplier Code of Conduct), respectively a policy on Business Ethics.\*

The supplier shall refrain from offering or granting special material benefits to employees of the BMW Group. This does not apply to benefits (e.g. hospitality) and product-related events in the normal course of business. Knowingly (sub)contracting companies in which employees of the BMW Group hold a significant interest (20 % or more of the capital) or with which they have a similar relationship of proximity is only permitted if the supplier has the written approval of the BMW Group.

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<sup>3</sup> A direct supplier is a party to a contract for the supply of goods or the provision of services whose supplies are necessary for the manufacture of the entity's product or for the provision and use of the relevant service.

<sup>4</sup> An indirect supplier is any enterprise that is not a direct supplier and whose supplies are necessary for the manufacture of the company's product or for the provision and utilization of the service in question.

## **2 Environmental Responsibility**

For the BMW Group, responsibility toward the environment means protecting the finite resources of nature. Therefore, the careful and efficient use of resources is of the utmost importance to the BMW Group.

The supplier shall comply with all national and international environmental standards and laws that apply to its location of business. The BMW Group also expects the supplier to refrain harmful changes to the soil, water and air pollution, harmful noise emissions, and excess water consumption that significantly impair the natural foundations for the cultivation and the production of food, prevent people from accessing safe drinking water, impair or inhibit access to sanitary facilities, or are harmful to health.

The BMW Group requires that the supplier shall also make continuous efforts to reduce their environmental pollution and risks and improve environmental protection within their own sphere of influence on an ongoing basis. The use of resources (in particular energy, water, raw materials and/or (primary) materials) and the environmental impacts (in particular emissions, pollutants, waste) are to be consistently minimized. Accordingly, upon the request of the BMW Group, the supplier shall introduce and operate an environmental management system according to ISO 14001 or the Eco-Management and Audit Scheme (EMAS), and shall verify that it has done so by presenting a corresponding certificate.\* The supplier shall appoint a competent body for environmental sustainability and create a policy on environment and train its employees accordingly.\*

### **2.1 Decarbonization**

The BMW Group is committed to the Paris Agreement (COP 21) and has set a CO<sub>2</sub> reduction target throughout its entire product life cycle.

As part of the nomination process, the supplier undertakes to implement measures to reduce its direct and indirect CO<sub>2</sub>e emissions (including in its upstream value chain). This includes, for example, the use of green electricity and the use of secondary materials or biomaterials. The precise requirements will be defined within the inquiry and the nomination process, and will be anchored in the contract, while compliance is reviewed annually. Compliance with the requirements concerning CO<sub>2</sub>e emissions reduction is a decisive criterion for us in the process of selecting our suppliers.

We expect our suppliers to ensure transparency with regard to their own emissions as well as those of the upstream supply chains (e.g. by using life cycle assessments (LCA)), and to set reduction targets, including targets that apply to their supply chain. BMW reviews this annually by inviting relevant suppliers to participate in the Carbon Disclosure Project Supply Chain Program.

## **2.2 Resource Conservation and Circular Economy**

In the fight against climate change, the BMW Group is turning to new, innovative, and resource-saving materials and methods. The BMW Group therefore expects its suppliers to refrain waste and ensure responsible handling of resources such as water, energy, resources, and materials. The BMW Group also expects suppliers to qualify their own n-tier supply chains with regard to the provision of secured secondary raw material sources, and to evaluate that secondary raw materials are used to the greatest extent possible. This also includes, for example, considering development premises such as 'Design for Circularity' and 'Design for Disassembly', as well as establishing closed loops for returning recyclable materials into the supplier's own supply chain.

We give preference to suppliers who help us to drive forward the use of recyclable materials and are committed to initiatives for growing the circular economy themselves.

## **2.3 Protection of Biodiversity**

The BMW Group is committed to halting deforestation and the conversion of natural ecosystems in supply chains. We expect our suppliers to protect natural ecosystems and not to contribute to the changing, deforestation, or damage of natural woodland and other natural ecosystems. Where applicable, the guidelines of the High Conservation Value Resource Network (HCV) and the High Carbon Stock Approach (HCSA) are to be applied.

We give preference to suppliers that are committed to the principles of certified, sustainable agriculture and forestry in their land and forest use.

Scientific research on the ecological consequences of deep-sea mining is not yet sufficiently comprehensive to enable an evaluation of the environmental risks at the present time. As long as it cannot be ensured that the protection of the marine ecosystem is guaranteed, we exclude the use of deep-sea raw materials for our products (in accordance with the precautionary principle) and expect our suppliers and their supply chains to do the same.

## **2.4 Handling Hazardous Materials and Waste**

The BMW Group is aware of the risks to those involved in the use of hazardous materials, chemicals, and substances, and fulfills its responsibility to prevent, minimize, or end these risks. We therefore expect suppliers to adopt new processes that not only secure the supply of parts and components, but also address the environment as well as health and safety concerns. For this reason, suppliers shall label these materials in accordance with the applicable regulations and shall guarantee that they are handled, transported, and stored safely. They shall also ensure that such materials are reused, recycled, or disposed of properly.

The provisions of the following conventions are to be adhered to:

- the Minamata Convention (on the use of mercury),
- the Stockholm Convention (on persistent organic pollutants), and
- the Basel Convention (on the control of transboundary movements of hazardous wastes and their disposal).

Furthermore, all other laws and specifications concerning hazardous materials, chemicals, and substances that apply to the business location and/or the market in question (e.g. European Regulation (EC) No. 1907/2006 (REACH)) are to be complied with.

Upon request, the supplier shall provide the BMW Group with information on the use of materials in production and operations that are subject to restrictions arising from national and international law, as well as providing written procedures on how these substances are handled.\*

We also expect our suppliers to inform themselves of future laws that will apply to them, and to prepare for their timely implementation.

### **3 Social Responsibility**

Social responsibility towards employees and other potentially affected parties is extremely important to the BMW Group. Suppliers shall ensure that they do not commit and are not involved in any human rights violations. The BMW Group rejects any threatening and defaming of people who advocate for the protection of human rights at the supplier and address human rights violations (human rights defenders), and it also expects its suppliers to guarantee their protection where necessary. Therefore, the BMW Group expects suppliers to observe the principles and rights set forth in the guidelines of the UN Initiative 'Global Compact' and the 'ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up' and to align their due diligence process with the requirements of the 'Guiding Principles on Business and Human Rights' by the United Nations. This also includes the prohibition of an act or omission in breach of duty which would impair a protected legal position in a particularly serious manner and the unlawfulness of which is evident.

The supplier therefore shall comply, as a minimum, with the following requirements: \*

- establishment of a competent body for social sustainability,
- establishment of a competent body to monitor sustainability risk management,

- establishment of a policy on working conditions and human rights that contains, as a minimum, the following topics: prohibition of child labor; young workers; wages and benefits; working hours; prohibition of modern slavery; freedom of association and collective bargaining; non-discrimination and harassment; women's rights; diversity, equity, and inclusion; land, forest, and water rights and forced eviction,
- training for employees on this policy.

### **3.1 Prohibition of Child Labor**

The BMW Group does not tolerate any form of child labor. The supplier shall ensure that child labor is prevented in its own business area and at its own suppliers, and undertake to comply with the following requirements:

- Prohibition of the worst forms of child labor (ILO 182).
- The minimum age for employment is in accordance with the requirements of the national law of the supplier location and is at least 15 years (ILO 138).
- Persons under the age of 18 are minors and therefore in need of protection (ILO 182). They shall not perform work which, due to its nature or the circumstances in which it is performed, would endanger their safety, health, or morals, e.g. overtime or night shifts (ILO 138).

We encourage suppliers to work actively to abolish child labor within their own sphere of influence, for example through cooperative efforts (e.g. as part of initiatives) and collaboration with non-governmental organizations.

### **3.2 Prohibition of Forced Labor and Slavery**

The BMW Group does not tolerate any form of forced or compulsory labor. The supplier shall ensure that there is no forced labor, as well as safeguard that no other forms of modern slavery in the sense of servitude and work performed under duress or human trafficking are tolerated. In specific terms, this includes:

- Labor or service required of a person under threat of punishment and for which he or she has not volunteered (ILO 29), and
- all forms of slavery, slave-like practices (e.g. demanding excessive fees and withholding documents), servitude, or other forms of domination or oppression (e.g. debt bondage and use of force) in the workplace environment, such as through extreme economic or sexual exploitation or humiliation.

We encourage suppliers to work actively to eliminate modern slavery and forced labor within their own sphere of influence, e.g. through supplementary measures (as per

ILO Recommendation 203) or cooperative efforts (e.g. as part of initiatives) and collaboration with non-governmental organizations.

### **3.3 Freedom of Association and Right to Collective Bargaining**

The BMW Group recognizes the right of workers to form employee representative bodies and to bargain collectively to regulate working conditions. In its operations, the supplier shall uphold the right of employees to join trade unions. Establishing, joining, or becoming a member of a trade union shall not be used as a reason for unjustified discrimination or retaliation. Unions shall be allowed to operate freely and in accordance with the law of the place of employment. This includes the right to strike and the right to collective bargaining.

The supplier shall exclude the use of security forces to interfere with freedom of association.

We encourage suppliers to promote constructive and transparent dialog between employees, their representatives, and management when handling internal conflicts and grievances relating to working conditions.

### **3.4 Protection against Discrimination**

The BMW Group is committed to equal treatment and does not tolerate discrimination in any form. Guidance is provided by the general prohibition of discrimination in Article 2(1) of the International Covenant on Civil and Political Rights of 19 December 1966.

Unless based on the nature of employment, unequal treatment in employment, such as on the basis of national or ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion, or belief (ILO 111), shall be excluded. Unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value.

We encourage suppliers to promote diversity within their sphere of influence, to identify vulnerable groups among employees, and to implement programs for these groups that lead to more equal treatment and the prevention of discrimination in hiring and employment.

### **3.5 Right to Health and Safety in the Workplace**

At the BMW Group, the protection and promotion of the health of its workers is a top priority. The supplier shall comply with all national and international standards and laws on occupational safety (in particular safety at work, health protection, working hours) that apply to its location of business. Upon the BMW Group's request, the supplier shall

- introduce and operate an effective, certified occupational safety management system according to ISO 45001 (or similar) and provide evidence of this by way of a corresponding certificate\*, and
- provide evidence of a health and safety policy.\*

The supplier shall organize working hours (overtime and maximum working hours, rest periods, work schedules, maternity / parental leave, sick leave, leave for family reasons, paid overtime) in such a way that occupational accidents due to physical and mental fatigue are avoided and the health of employees is maintained (ILO 1, ILO 14). This principle also encompasses temporary agency work, the secondment of employees, and outsourced work.

The supplier shall observe the prohibition on harassment, abuse, and punishment with any form of violence at work. In particular, the supplier shall comply with the ban on hiring or using private or public security forces to protect a business project if, due to a lack of instruction or control on the part of the company, the prohibition of torture and cruel, inhuman, or degrading treatment is disregarded during the deployment of security forces, or if life and limb are injured in any other way.

The BMW Group encourages suppliers to provide for representation of employees' interests in the regulation of working hours, or at least give appropriate consideration to the needs of employees in the organization of working hours.

### **3.6 Right to Adequate Remuneration**

The BMW Group is committed to competitive, performance-based, and appropriate compensation. The supplier shall therefore ensure the payment of adequate wages, as well as compliance with all applicable statutory labor regulations, e.g. with regard to working hours, remuneration, and social benefits. In specific terms, this means that:

- The wage shall be at least in accordance with the locally applicable minimum wage regulations and in any case shall be a living wage.
- Wages shall be paid in a traceable manner and at a specified time in accordance with ILO 95. Unauthorized wage deductions and the withholding of wages as a disciplinary measure are prohibited.
- Overtime shall not exceed the legally defined limits.
- Social benefits may be claimed by employees in accordance with applicable law (e.g. sick leave). If statutory social insurance exists, payment of the contributions shall be mandatory.
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### **3.7 Rights of Local Communities**

The BMW Group respects applicable local, national, international, and traditional rights concerning land, water, and resources. In particular, the rights of indigenous peoples and local communities shall be respected, promoted and protected throughout the supply chain in accordance with the 'UN Declaration on the Rights of Indigenous Peoples'.

The supplier undertakes not to participate in land theft. The supplier shall also observe the ban on the unlawful eviction from land, forests, and waters when acquiring, building on, or otherwise using land, forests, and waters that serve as a person's livelihood. Indeed, the supplier shall obtain Free Prior and Informed Consent (FPIC), e.g. as defined by the UN-REDD Programme, from existing land users and shall ensure adequate compensation where land use has been granted to the supplier.

### **3.8 Animal Welfare**

The BMW Group wants to ensure that corporate activities consider animal welfare as well. Therefore, we expect relevant suppliers that process animal products to implement standards and best-practice methods to comply with animal welfare along the entire supply chain. We also expect our suppliers to give preference to alternative methods that do not involve animal testing, except where required by law. In any case, the supplier shall follow the national and international rules regarding animal protection and animal testing, e.g. the German Animal Protection Law (TierSchG) or the EU Directive 2010/63.

Furthermore, the BMW Group commits to the following ethical principles, and expects the supplier to do likewise and to work to ensure their compliance along the entire supply chain:

- the 3R principle regarding animal testing (reduction, refinement, replacement),
- the five freedoms of the Animal Welfare Committee (AWC) as a criterion to evaluate animal welfare, and
- the standards for the improvement of animal health and welfare (Terrestrial Animal Health Code) of the World Organisation for Animal Health.

## **4 Use of Critical Raw Materials**

The BMW Group aims to use only raw materials whose extraction, production, transport, trade, processing and export neither directly nor indirectly contribute to human rights abuses, health & safety issues, environmental pollution or compliance breaches.

The supplier shall establish special due diligence processes in accordance with the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas' for the following raw materials: tin, tungsten, tantalum,

and gold (the so-called 3TG) from conflict-affected and high-risk areas (CAHRAs), such as the Democratic Republic of the Congo (DRC).

We expect the supplier to exclude smelters or refiners for these raw materials that do not have an adequate and audited due diligence process. On an ad hoc basis, we require our suppliers to provide us with information about their supply chain for these materials, as well as other critical raw materials<sup>5</sup> where applicable including information about the origin of the material, for instance via the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative (RMI).

In addition to the 3TG, our due diligence procedures are also focused on the following raw materials / process materials with identified risks to the environment and human rights in their extraction and processing:

Aluminum	Leather	Nickel
Chromium	Lithium	Platinum group metals
Graphite	Manganese	Rare earth
Cobalt	Mica	Steel / iron
Copper	Natural rubber	Zinc

The BMW Group also expects the supplier, where it uses critical raw materials or process materials<sup>5</sup> to produce its goods (e.g. components), to implement special due diligence processes and activities in order to identify, prevent, minimize, or eliminate these risks. The supplier should obtain raw materials from audited sources. We expect that the supplier to obtain certification by an independent third party, such as the Standard for Responsible Mining from the Initiative for Responsible Mining Assurance (IRMA).

The BMW Group is involved in multi-stakeholder initiatives that aim to establish the standards set out in this document in raw material supply chains. We recommend that suppliers also involve themselves actively in this where relevant.

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<sup>5</sup> Critical raw materials and process materials in accordance with the Material Change Report from Drive Sustainability.

## 5 Implementation of Corporate Due Diligence

For the BMW Group, the commitment of its suppliers to meet their social and environmental responsibilities is an indispensable prerequisite for any business relationship. Accordingly, the supplier shall align its business and procurement activities with these principles and address them appropriately along its supply chain. The supplier shall publish a (group) sustainability report.\*

We expect that the supplier has established or is implementing a due diligence process with appropriate measures to ensure that its suppliers and subcontractors, in turn, also comply with the standards and rules set out in this document. To promote the implementation of this Supplier Code of Conduct, we expect the supplier to take the following actions:

**Risk management:** We expect the supplier to implement an appropriate and effective management system for corporate due diligence toward people and the environment in its organization as well as with its direct suppliers. This includes but is not limited to contractual agreements, a supplier policy for sustainable procurement, and audits.

The supplier shall pass on sustainability requirements in accordance with this Supplier Code of Conduct to its suppliers, covering at least the following topics: Prohibition of child labor; young workers; wages and benefits; working hours; prohibition of modern slavery; freedom of association and collective bargaining; non-discrimination and harassment; women's rights; diversity, equity, and inclusion; rights of minorities and indigenous peoples; land, forest, and water rights and forced eviction; health and safety; anti-corruption and anti-money laundering; data protection and data security; financial responsibility; disclosure of information; fair competition and anti-trust; conflicts of interest; counterfeit parts; Product conformity and product safety<sup>6</sup>; intellectual property; export controls and economic sanctions; whistleblowing and protection against retaliation; GHG emissions reporting; energy efficiency; renewable energy; water quality, consumption & management; air quality; responsible chemical management; sustainable resources management; waste reduction; biodiversity, land use and deforestation; soil quality.\*

The supplier shall communicate these requirements through terms and conditions, supplier training, a Supplier Code of Conduct / Supplier Sustainability Policy, and on the company website / supplier portal.\*

**Further development and training:** The BMW Group recognizes that implementing the due diligence obligations described here is a dynamic process. We give preference to

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<sup>6</sup> Product conformity and product safety in accordance with Chapter 9 "Quality" of the 'BMW Group International Terms and Conditions for the Purchase of Production Materials and Automotive Components' (IPC), version 01/12/2022 as well as Chapter 19 "Compliance" of the 'BMW Group General Terms and Conditions for Indirect Purchasing' version 11/2022.

suppliers who exceed the minimum requirements set out here and are committed to ongoing development, for example by expanding the commitments described above to their supply chain. The BMW Group offers support to suppliers in the form of information, training, and constructive exchange.

We train and qualify our direct suppliers and, if necessary, our indirect suppliers by using BMW Group specific and standardized training materials. If preventive measures are found to be lacking, certain training programs are mandatory. We also recommend participating in additional training programs from our range of training content.

For more information about the training we offer, visit

<https://b2b.bmw.com/group/b2b/re-drive-learning-journey>

(you can also access this information manually via the B2B portal: Collaboration > BMW Group Partner Academy > RE:DRIVE training on sustainability)

We also expect the supplier to offer risk-based training for its employees and suppliers.

**Notification and remedy mechanisms:** If the supplier becomes aware that requirements from the Supplier Code of Conduct have been violated in its own business area or in its supply chain, it shall immediately take appropriate remedial action. In case of confirmed violations, the supplier shall inform BMW Group ([humanrights.sscm@bmwgroup.com](mailto:humanrights.sscm@bmwgroup.com)) immediately of any violation of the obligations arising from this Standard in its own business area or in its supply chain, or of any official investigation procedure in this regard; the same applies if the company becomes aware of corresponding procedures in connection with its senior managers.

## II Implementation of the Supplier Code of Conduct

Our activities aimed at meeting due diligence obligations in the supplier network of the BMW Group are based on international standards and laws. We review and implement compliance with the expectations and requirements defined in this Supplier Code of Conduct as follows:

### 1 Audit and Information Rights

On an ad hoc basis, the BMW Group requires collaboration with suppliers and sub-suppliers with the target of achieving traceability and maximum transparency in relevant high-risk supply chains, to the source of origin if needed. Upon request, the supplier shall fully and truthfully answer questions from the BMW Group about compliance with its obligations under this Standard, including its actions, any violations, and grievances. The supplier shall also provide relevant documentation upon request and nominate contacts for inquiries. This applies in particular to information that supports the following:

- identification of critical parts<sup>7</sup> related to the vehicle projects,
- substitution of the affected parts in line with the technical, business, and sustainability requirements.

In order to review suppliers' compliance with the standards set out in this document, we use, for example, standardized self-assessment questionnaires with requirements relating to nomination, as well as third-party audits in accordance with the audit program of the Responsible Business Alliance (RBA) and the Responsible Supply Chain Initiative (RSCI), and on-site inspections by sustainability experts of the BMW Group. The self-assessment questionnaires and the audits cover broader content than that specified in this Supplier Code of Conduct. The supplier shall cooperate to the best of its abilities in responding to the self-assessment questionnaire and with the audits. The BMW Group may request further suitable certificates as supplier verification. In the event of substantiated knowledge (event-driven), we reserve the right to carry out risk analyses along the supplier's entire supply chain. This may take the form of audits, for example, by independent third parties or internal BMW assessors.

### 2 Reporting Channels

In case of (potential) violations of the above-mentioned requirements, the BMW Group has implemented a grievance mechanism, which is available by phone at +49 89 382-71230 or by e-mail at [humanrights.sscm@bmwgroup.com](mailto:humanrights.sscm@bmwgroup.com). An alternative standardized grievance mechanism that we use is RBA Voices, an application of the Responsible Business Alliance, which we actively communicate in our supplier network.

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<sup>7</sup> Critical parts with respect to hazardous materials, chemicals, and substances, see provision 2.4.

As an alternative, this application can also be downloaded and applied via the App Store (Apple end devices) or Playstore (Android end devices).

In addition, our ombudsperson for the supplier network can also be contacted by e-mail at: [bmw-ombudsperson@hvc-strafrecht.de](mailto:bmw-ombudsperson@hvc-strafrecht.de).

### **3 Handling of Violations**

The escalation process at the BMW Group is governed at a cross-divisional level.<sup>8</sup> Sustainability criteria relating to identified risks are fully integrated into the escalation process. An escalation may be started if a certain threshold is exceeded, or on an event-driven basis for incidents with legitimate criticality. The highest escalation level of our process is equivalent to 'New Business Hold' i.e. the supplier location will be suspended from new nominations. In the event of noncompliance with the mandatory requirements described in this Supplier Code of Conduct, the BMW Group reserves the right to terminate business relationships, provided that we have no other effective means available, and we cannot further increase our influence.

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<sup>8</sup> Details on the escalation process: <https://b2b.bmwgroup.net/group/b2b/zusammenarbeit/lieferanteneskalation> (also accessible manually via the B2B portal: Collaboration > Supplier escalation process of the BMW Group).

## References

General Terms and Conditions for Indirect Purchasing

<https://b2b.bmw.com/en/web/b2b/einkauf-indirektes-material>

Animal Welfare Committee (AWC)

<https://www.gov.uk/government/groups/animal-welfare-committee-awc>

BMW Group International Terms and Conditions for the Purchase of Production Materials and Automotive Components – IPC

<https://b2b.bmw.com/web/b2b/einkauf-direktes-material>

BMW Group Code on Human Rights and Working Conditions

[https://www.bmwgroup.com/content/dam/grpw/websites/bmwgroup\\_com/company/downloads/en/2021/CCO\\_HumanRights\\_Code\\_EN\\_December2020\\_external.pdf](https://www.bmwgroup.com/content/dam/grpw/websites/bmwgroup_com/company/downloads/en/2021/CCO_HumanRights_Code_EN_December2020_external.pdf)

BMW Group Legal Compliance Code

[https://www.bmwgroup.com/content/dam/grpw/websites/bmwgroup\\_com/company/downloads/en/2020/CCO\\_LCC\\_EN\\_March2020\\_external.pdf](https://www.bmwgroup.com/content/dam/grpw/websites/bmwgroup_com/company/downloads/en/2020/CCO_LCC_EN_March2020_external.pdf)

CDP Supply Chain Program

<https://www.cdp.net/en/supply-chain>

Eco-Management and Audit Scheme (EMAS)

<https://ec.europa.eu/environment/emas/>

ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up adopted by the International Labour Conference at its Eighty-sixth Session, Geneva, 18. June 1998 (ILO core labor standards)

[https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-berlin/documents/normativeinstrument/wcms\\_193727.pdf](https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-berlin/documents/normativeinstrument/wcms_193727.pdf)

UN Declaration on the Rights of Indigenous Peoples

[https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP\\_E\\_web.pdf](https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf)

EU Directive 2010/63

<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32010L0063>

Joint Declaration on Human Rights and Working Conditions in the BMW Group

[https://contenthub-de.bmwgroup.net/documents/3007257/3012615/CCO\\_BV171\\_Joint\\_Declaration\\_on\\_Human\\_Rights\\_2010\\_EN.pdf/d28868af-2b08-c0dd-c6e7-4673ae04c210](https://contenthub-de.bmwgroup.net/documents/3007257/3012615/CCO_BV171_Joint_Declaration_on_Human_Rights_2010_EN.pdf/d28868af-2b08-c0dd-c6e7-4673ae04c210)

Policy Statement on Respect for Human Rights and corresponding Environmental Standards (available from January 2023)

<https://www.bmwgroup.com/en/company/compliance.html>

High Carbon Stock Approach (HCSA)

<http://highcarbonstock.org/>

High Conservation Value Resource Network (HCV)

<https://hcvnetwork.org/>

Initiative for Responsible Mining Assurance (IRMA)

<https://responsiblemining.net/>

ISO 14001

[www.iso.org](http://www.iso.org)

ISO 45001

[www.iso.org](http://www.iso.org)

Material Change Report

[https://drivesustainability.org/wp-content/uploads/2018/07/Material-Change\\_VF.pdf](https://drivesustainability.org/wp-content/uploads/2018/07/Material-Change_VF.pdf)

OECD Due Diligence Guidance for Responsible Business Conduct

<https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

<https://www.oecd.org/corporate/mne/mining.htm>

OECD Guidelines for Multinational Enterprises

<https://www.oecd.org/berlin/publikationen/oecd-leitsaetze-fuer-multinationale-unternehmen.htm>

OIE Terrestrial Animal Health Code

<https://www.woah.org/en/what-we-do/standards/codes-and-manuals/terrestrial-code-online-access/>

Paris Agreement (COP 21)

<https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

Responsible Minerals Assurance Process (RMAP)

<http://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/>

Responsible Minerals Initiative

<http://www.responsiblemineralsinitiative.org/>

Self-Assessment Questionnaire on CSR/Sustainability for Automotive Sector Suppliers

<https://www.drivesustainability.org/compliance/>

German Animal Protection Law (TierSchG)

<https://www.gesetze-im-internet.de/tierschg/BJNR012770972.html>

UN Declaration on Human Rights

<https://www.ohchr.org/en/human-rights/universal-declaration/translations/german-deutsch?LangID=ger>

UN Global Compact

<https://unglobalcompact.org/>

UN Guiding Principles on Business and Human Rights

[https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

UN-REDD Programme

<https://www.un-redd.org/>

Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

<https://eur-lex.europa.eu/legal-content/DE/TXT/?uri=CELEX%3A32006R1907>

**DOCUMENT HISTORY**

Version 1.0	released in May 2012
Version 1.1	released in April 2016: minor revisions to selected provisions, new provisions '4. Preventing the Flow of Funds to Armed Groups and Conflicts' and '5. Implementation of these Standards in the Supply Chain'
Version 1.2	released in May 2017: minor revisions to selected provisions
Version 1.3	released in December 2018: minor revisions to selected provisions, new provision '5. Animal Welfare in the Supply Chain'
Version 2.0	released in June 2020: layout and content revision to selected provisions, new provisions 'Biodiversity and Deforestation' and 'Indigenous People'
Version 3.0	released in December 2022: renamed to "Supplier Code of Conduct"; amendments in light of the supply chain due diligence act (Lieferkettensorgfaltspflichtengesetz) and the revision of the self-assessment questionnaire