



Topic/Region: [Sender NSC/import region]
Date: September 2023
Subject: Information on German Supply Chain Due Diligence Act (LkSG) and resulting requirements for our sales partners.

RESPECT FOR HUMAN RIGHTS AT THE BMW GROUP – OUR MISSION AND OUR OBLIGATION.

The BMW Group recognizes its responsibility as a company to respect human rights and corresponding environmental standards. This applies not only to our own business activities, but also to our global supply chains. We help ensure these fundamental rights are observed through clear responsibilities and a wide range of different measures. We also aim to meet the same high human rights and environmental standards in our current implementation of the German Supply Chain Due Diligence Act (LkSG).

GERMAN SUPPLY CHAIN DUE DILIGENCE ACT (LKSG).

The German Supply Chain Due Diligence Act (LkSG), which came into force on 1 January 2023, creates a legal framework for performing corporate due diligence for human rights and corresponding environmental standards. The direct addressees of this law are companies headquartered in Germany with more than 3,000 employees.

The statutory requirements for BMW AG arising from this include the following:

- Submission of a policy statement on respect for human rights and corresponding environmental standards.
- Regular assessment of human rights and environmental risks at BMW AG and its affiliated companies, as well as at business partners on the procurement and sales side.
- Implementation of a due diligence program (with preventive and remedial measures), including provision of a complaints procedure that is also accessible to external third parties.

In addition to this, BMW AG and its affiliated companies are required to make every effort to ensure that human rights are also respected in its upstream and downstream supply chains – for example, by means of contractual obligations.

The due diligence obligations imposed by the LkSG therefore also have implications for our sales and service partners.

WHAT THIS MEANS FOR YOU AND OUR WORK TOGETHER – REQUIREMENTS FOR BMW AG SALES PARTNERS AND AFFILIATED COMPANIES.

This results in the following essential human rights and environmental due diligence requirements for our cooperation:

- Respect for human rights and environmental standards is already a contractual element of our cooperation. Dealer and import contracts are being updated to include sections on "social responsibility" and "environmental management", based on the statutory requirements arising from the LkSG.
- Your contractual obligations include performing appropriate due diligence to ensure compliance with the required human rights and environmental standards in your own business area, to reduce potential risk, and to remediate any infringements. Appropriate measures may include publishing a code of conduct or other internal regulations, training and communications activities, introduction of occupational safety and environmental management systems, as well as complaint management processes.
- We also expect you to make every effort to ensure that your business partners respect human rights and environmental standards – for example, by means of corresponding contractual agreements.
- Where applicable, we may ask you to complete a questionnaire as part of the risk assessment required by law to jointly validate potential risks.
- Please follow our Policy Statement on Respect for Human Rights and corresponding Environmental Standards, which was published on the BMW Group website on 1 January 2023. It explains the due diligence program for our own business area, as well as for our business partners.
- Information relating to potential human rights and environmental violations can be reported through the BMW Group complaints channels.

FURTHER INFORMATION AND CONTACT POINTS.

Regularly updated information on implementation of the German Supply Chain Due Diligence Act (LkSG) at the BMW Group and on the BMW Group complaints channels can be found at: www.bmwgroup.com/humanrights.

If you have any questions, please reach out to your contact person (to be specified by NSC / import region).

PARTNERS FOR SUCCESS.

Responsible and lawful conduct is one of the basic requirements for preserving the strong reputation of the BMW Group and its products and maintaining the trust of our customers – and is therefore fundamental to all of our business success.

We are counting on you!