



MZ-2, May 2016

OEM SELF-ASSESSMENT QUESTIONNAIRE ON CSR - REQUIREMENTS FOR BMW GROUP SUPPLIERS

EVALUATION OF SUSTAINABILITY PERFORMANCE OF SUPPLIERS BASED ON OEM SAQ.

The OEM-wide **Self Assessment Questionnaire** (SAQ) on Corporate Social Responsibility (CSR) assesses the social and environmental impact of suppliers' corporate behaviour. It is essential for the evaluation of the sustainability performance of suppliers and their sites performed by BMW Group. The suppliers' sustainability performance is one of the key elements for cooperation. Therefore, the **sustainability performance**, which is based on the OEM SAQ evaluation, is also **relevant for supplier qualification**.

The questionnaire contains 21 sets of questions and it assesses the **level of implementation** of the suppliers' sustainability management for each of the following topics:

- Company Management (General)
- Social Sustainability
- Business Conduct and Compliance
- Environmental Sustainability
- Supplier Management
- Conflict Minerals

MINIMUM REQUIREMENTS AND BMW-SPECIFIC REQUIREMENTS.

The evaluation of questions is based on a BMW-specific methodology. Considering the company size of the supplier (>50 / >100 / >500 employees) as well as its relevancy for production processes, certain **minimum requirements** are mandatory. They are based on legal and statutory requirements as well as on additional BMW-specific requirements, e.g. publication of a sustainability report, existence of corporate environmental or social policies, certification and auditing of management systems etc.

- If minimum requirements are not fully met, the supplier is flagged as „**red**“ and he has not qualified himself. Together with the responsible buyer at BMW Group, corrective actions will be agreed to qualify the supplier.
- If minimum requirements are fully met, the supplier is flagged as „**yellow**“, which qualifies him.
- If minimum requirements and BMW-specific requirements are fully met, the supplier is flagged as „**green**“.

BMW Group basically supports its suppliers in achieving the status „green“, but it is only mandatory for suppliers of lighthouse projects and BMW i-projects.

MINIMUM REQUIREMENTS OF BMW GROUP. BASED ON LEGAL AND STATUTORY REQUIREMENTS.

BMW Group minimum requirements* :

Requirements	Legal and statutory requirements	Relevant for companies with a number of employees:
Your company should publish a sustainability report . (Ref 2)	EU Directive on non-financial reporting (publicly-listed corporations with more than 500 employees)	> 500
Your company should have a policy that outlines your principles regarding the respect for human rights, forced or compulsory, child labour, working conditions, wages and benefits, non-discrimination, freedom of association and collective bargaining . (Ref 6)	ILO Labour Standards/ Political framework in discussion	> 50
Your company should have a formal health and safety policy in place. (Ref 9) Your company should organize specific health and safety activities at the site. (Ref 9a)	Constitution / Labour Law	> 50
Your company should have a formal business conduct and compliance policy in place. (Ref 12)	Commercial Law / UN Global Compact	> 50
Your company should have a formal environmental policy in place. (Ref 14)	Environmental Law / Industry Standard	> 50
You should implement an environmental management system . (Ref 15) Your company should certify its environmental management system. (Ref 15a) Your company should conduct environmental audits by external organizations at the site. (Ref 17)	Environmental Law / Industry Standard	> 100
Your company should have a supplier sustainability policy in place. (Ref 18) Your company should communicate your supplier sustainability policy to your suppliers. (Ref 19)	Industry Best Practice / Political framework in discussion	> 100

* The following requirements are not relevant for all service provider: Ref. 15, 15a, 17.

BMW-SPECIFIC REQUIREMENTS. MANDATORY FOR LIGHTHOUSE PROJECTS AND BMW i-PROJECTS. (1/2)

BMW-specific requirements*:

Requirements	Relevant for companies with a revenue:
Your company should appoint a senior management person with responsibility for business conduct and compliance . (Ref 1a)	Relevant for all companies
Your company should appoint a senior management person with responsibility for social sustainability . (Ref 1b)	Relevant for all companies
Your company should appoint a senior management person with responsibility for environmental sustainability . (Ref 1c)	Relevant for all companies
The operations of all company sites should be included in your sustainability report . (Ref 2b)	Relevant for all companies
Your company should have a code of conduct in place. (Ref 3)	Relevant for all companies
Your company should enforce your code of conduct at your site(s). (Ref 3a)	Relevant for all companies
Your company should organize regular trainings to enhance the understanding of CSR/Sustainability at the sites in which you operate. (Ref 4)	Relevant for all companies
Your company should organize training on your code of conduct, social issues, anti-corruption and ethics, health & safety and environmental management . (Ref 4a)	> 100.000.000 €
Your company should have a management system in place to manage social issues . (Ref 7)	Relevant for all companies
Your company should document its social management system. (Ref 7a)	Relevant for all companies

BMW-SPECIFIC REQUIREMENTS. MANDATORY FOR LIGHTHOUSE PROJECTS AND BMW i-PROJECTS. (1/2)

BMW-specific requirements*:

Requirements	Relevant for companies with a number of employees
You should implement a health and safety management system . (Ref 10)	> 50
Your company should certify your health and safety management system. (Ref 10a)	> 50
Your company should conduct health and safety audits by external organizations at the site. (Ref 11)	> 50
Your company should have a policy that outlines your principles regarding corruption, extortion and bribery . (Ref 12a)	> 50
Your company should have a business conduct and compliance ethics management system in place. (Ref 13)	> 50
Your company's environmental policy should cover energy consumption, water usage, air emissions, waste management, restricted substances and chemical handling . (Ref 14a)	Relevant for all companies
You should have work procedures to manage the use of restricted substances and chemicals . (Ref 16)	> 50
Your company should certify its management system for restricted substances and chemicals. (Ref 16a)	> 50
Your supplier sustainability policy should apply to all suppliers . (Ref 18b)	> 100
Your supplier sustainability policy should apply to your plant-based purchasing . (Ref 18c)	> 100
Your company should establish processes to ensure your supplier sustainability policy is effectively implemented by your suppliers. (Ref 20)	> 100

* The following requirements are not relevant for all service provider: Ref. 16

YOUR CONTACT. WE SUPPORT IN CASE OF QUESTIONS OR PROBLEMS.

In case of technical difficulties or questions regarding methodology please contact our service provider NQC directly:

- phone: +44 (0) 845 299 2996 (multilingual)
- e-mail: auto.support@nqc.com

In case of questions regarding the BMW-specific requirements please contact the Sustainable Supply Chain Team at BMW Group:

- e-mail: sscm@bmw.de