

»» Sustainability by design.
Taking responsible action.

BMW Group





Taking action. The world is changing faster than ever. Environmental and climate protection, shortage of resources and demographic change are just a few of the enormous challenges society faces and which demand the involvement of all forces of society. The BMW Group wants to play its part. We believe our company is not only responsible for finding solutions – but, more importantly, for implementing them consistently.

As such, corporate sustainability is firmly anchored in our entire value-added chain: from the development of fuel-saving and alternative vehicle concepts through clean production processes to green recycling practices. Our concept of sustainability extends beyond the gates of our plants. We also take responsibility for social issues and are involved in promoting education and road safety worldwide, as well as in projects to fight HIV and Aids.

Why do we do this? Because corporate sustainability and our commitment to society are important to securing our own future: by facing tomorrow's challenges today we will find the right answers for the future; if we set the wrong course now, we will soon find ourselves on a dead-end track. Our aim is to be responsible and to add value at the same time: for society, for the environment and for our company. We regularly report on how we do this in our Sustainable Value Report; online on our website; and very briefly in this brochure which we hope will make you want to learn more about the BMW Group and our commitment. We look forward to hearing from you!

Yours,

Norbert Reithofer
Chairman of the Board of Management

01

**Clear as glass!
Clean production.**

Less fuel consumption, lower CO₂ emissions, practical environmental protection – all of that applies to the vehicles made by the BMW Group. But what about the processes that build them?





23% less process wastewater per vehicle produced – one result of five years of work.



Using resources efficiently. Whether we are building a BMW, a MINI or a Rolls-Royce – sustainability is firmly anchored in every step of our production process. For many years now all of our production facilities have been required to save energy and water. We avoid waste and solvents – and reduce emissions wherever we can. Today, the BMW Group is the world's greenest automotive company in terms of resource utilization.

Energy-wise. Our energy-saving measures have already achieved a great deal: at our Munich Research and Innovation Centre, for instance, we use naturally cold ground-water to cool some buildings. That alone saves about 10,000 MWh of electricity and 6,300 tons of CO₂ a year. At our plant in Spartanburg in the U.S., we obtain more than half of our total energy requirements from methane gas from a nearby landfill. These are just two of many examples. We do not rest on our laurels but work on additional measures to further reduce our energy consumption in the future.

Watertight guarantee. No question about it: you need water to build cars. But »need« is not necessarily the same as »consume«. Water cycles at our plants help us to reuse water as often as possible. Our goal is a wastewater-free manufacturing – this is already reality at our engine plant in Steyr, Austria: 733,500 engines were produced without generating any wastewater in 2008.

Less is more. This is our philosophy when it comes to waste. Our top priority is to avoid waste. If that is not possible, we first check whether the materials can be recycled in one way or another. We already recycle about 96 % of our waste so that it can be reused.

Find out more at www.bmwgroup.com/cleanproduction

92,000 tons less CO₂

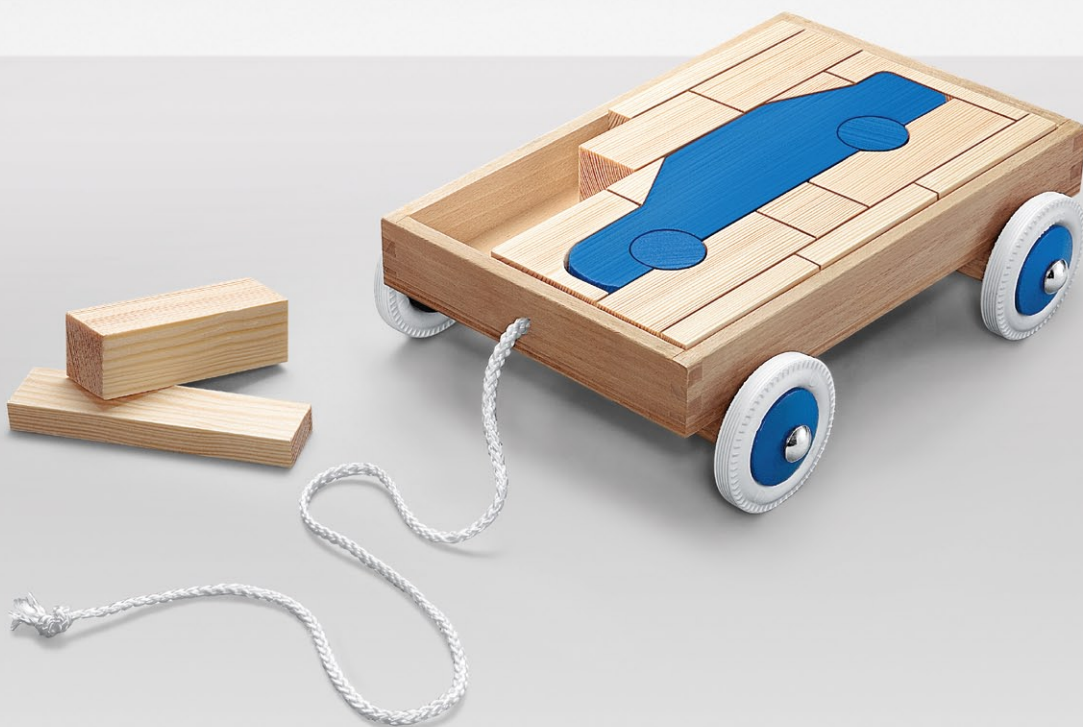
per year will be produced in the Spartanburg region of the U.S. from 2010 on: the BMW plant in Spartanburg meets more than 60 % of its total energy requirements using previously unused methane gas from a nearby landfill. 23,000 American households would have to go a whole year without heating to save that amount of energy.

30 %

reduction in water, energy, solvent emissions and waste per vehicle between 2006 and 2012 – that is our goal for all of our plants. We are confident we will be able to reach that goal, because we are just as serious about environmental protection as we are about all of our business.

0 litres

is how much process wastewater our BMW plant in Steyr, Austria generates. A closed water cycle and complex filter systems ensure not a single drop is wasted, allowing the wastewater gully to be closed off. The plant saves up to 30 million litres of water annually.



We clock 15.8 billion ton-kilometres a year transporting materials and new vehicles of the BMW Group: for the sake of the environment we ensure all crates and containers are fully utilized and avoid empty runs.

02

Logistics is not child's play.

By the time you get your vehicle, it has come a long way. To make sure sustainability doesn't fall by the wayside, we select eco-friendly methods of transportation and fully utilize the available storage space.





The journey is the reward. We aim to reduce the environmental impact of transporting all our goods as far as possible. That is why we rely primarily on environmentally-friendly transportation methods such as rail and sea, and optimize container, crate and truck utilization.

On the right track. Roughly half of all new vehicles leave our plants by rail. In fact, more than 60 % of the new vehicles from the BMW plants in Dingolfing (Germany) and Rosslyn (South Africa) reach their destination by rail.

Sustainability by the mile. A performance-based accounting system pays transport agents for the actual volume transported – not just for the distance. This utilizes available cargo space to its fullest and avoids empty runs. Our suppliers are only allowed to use trucks which meet the latest emissions standards.

Not just on the surface. When it comes to delivering new vehicles, we have eliminated wax-based surface covering and are minimizing the amount of protective film and covers we use. Instead, we use closed freight cars for rail transportation, for instance. In 2008, 82 % of all new vehicles were delivered to their future owners without any surface covering at all – and, of course, without any damage. One important consequence of this measure was that it allowed the last of the equipment used to coat vehicles with protective wax to be shut down in late 2008. All of this is new to the automotive industry. In the future we will continue to follow this path and reduce the surface covering used in transportation to an absolute minimum.

Find out more at www.bmwgroup.com/logistics

420

buses bring around 20,000 employees to work every day at the Munich, Dingolfing and Regensburg plants. As well as operating company buses, we also encourage our employees to use public transport, for instance, by subsidizing the cost of tickets. After all, how employees get to and from work is an important factor in the logistics equation.

13.5 million

reusable containers are in circulation between the BMW Group and its suppliers. Disposable containers are rarely used any more.

79 %

of our total transportation volume (measured in ton-kilometres) travels by sea. That keeps traffic off the roads – which is good news for the environment.

03

Saving fuel.

Climate protection and environmental responsibility are built into all of our vehicles. Our goal: emission-free mobility.





Thanks to Efficient Dynamics, our vehicle fleet's average fuel consumption of 5.9 litres diesel and 6.6 litres gasoline per 100 km is below the average of all new vehicles sold in Germany in 2008.*



Less consumption, better performance. For years we have been working extremely hard to reduce our fleet consumption. Between 1995 and late 2008 we managed to cut the CO₂ emissions of our vehicles sold in Europe by almost 27%. Our innovative Efficient Dynamics package played a crucial part in this achievement.

Consumption is in the details. The whole is often more than the sum of its parts: Efficient Dynamics includes highly-efficient gasoline and diesel engines, weight reduction and improved aerodynamics. Brake energy regeneration, the Auto Start Stop function and the gear shift indicator ensure more efficient energy management within the vehicle. These innovations for better fuel economy are not just for a few niche models – they have been implemented in series production across the BMW Group's whole fleet. This is the only way to really help the environment.

Consistently using less. Our hybrids will achieve additional fuel savings. In 2009, when the first BMW models with BMW ActiveHybrid technology are ready for series production, they will use up to 20% less fuel than a comparable model with just a conventional combustion engine.

Target: zero emissions. For the long term, we are focussing on electric mobility and hydrogen from renewable sources. We are currently gathering valuable insights from a field trial with more than 600 fully-electric MINI E vehicles. This input will be fed into »project i«, an organizational unit involved, among other things, in developing new mobility concepts for metropolitan areas. The first so-called »megacity vehicle« with an electric drive will be on the market in the first half of the next decade. This is the next logical step on the road to emission-free mobility. Others will follow.

Find out more at www.bmwgroup.com/sustainablemobility

600

MINI E cars are currently on the roads in the U.S., the U.K. and Germany. This makes the BMW Group the first manufacturer to provide such a large fleet of electric cars using lithium-ion technology for customers to test in everyday driving.

1.4 million

BMW and MINI vehicles with fuel-saving Efficient Dynamics features are already on the road today – and that number is growing every day.

32

BMW Group models produce 140 grams of CO₂ or less per kilometre.* The CO₂ emissions of our new vehicle fleet in Europe fell by almost 27 % between 1995 and late 2008.

* Values measured in accordance with the New European Drive Cycle (EU Directive: 80/1268/EEC in the relevant applicable version). Valid for vehicles with a European country specification.



Our designers think ahead – 95% of the materials from a BMW Group vehicle can be recycled and reused; at the end of the day, only 5% needs to be professionally disposed of, without harming the environment.

04

Don't waste – recycle.

No vehicle lasts forever. But when a vehicle's time is up, the BMW Group takes responsibility for its products.





Recycling inclusive. Since January 1st, 2007 customers in the European Union can return their used BMW, MINI or Rolls-Royce to a recovery centre. The vehicles are then professionally recycled free of charge. Over the past few years the BMW Group has built up an extensive network of recovery centres in Europe for this purpose.

The end is a new beginning. All of our vehicles are designed for quick, eco-friendly recycling at the end of their life cycle. But that is just the beginning: various plastic components used in our vehicles consist of recycled materials made from used parts. For example, we use recycled materials in underside panels, fuel tanks and wheel arch shells.

Thinking in life cycles. Experts at our Recycling and Dismantling Centre evaluate the environmental impact of materials and components during and after their complete life cycle: from the production of raw materials through usage to recycling. This evaluation of the materials used in the components of our vehicles is as detailed as possible. The energy used for mining ore or extracting raw materials is evaluated in the same way as emissions from transportation and processing.

Find out more at www.bmwgroup.com/recycling

95 %

of a BMW Group vehicle is recycled and reused: 85 % of the materials can be reused; a further 10 % can be used for energy-generation purposes.

January 1st, 2007

Since this date BMW Group customers in the European Union can return their vehicles for professional disposal free of charge.

Up to 15 %

of the plastic parts used in BMW Group vehicles consist of recycled materials obtained from production waste or used parts that have been recycled.

05

Many skills – just one goal.

Our employees' skills are what our success is based on. Our goal is for every single person in the company to contribute his or her individual skills and use them to achieve collective success. We ensure that the climate is always right for this to happen.





The right skills at the right time – comprehensive education and training programs for our employees make that possible.



Not all beginnings have to be difficult. We offer young people a wide choice of apprenticeships. They can learn 23 different trades in technical and commercial fields. Around 4,100 apprentices are currently in training.

Rewards for adding value. The success of the company depends on the performance of its employees. Their passion and their dedication make a difference. This is why the BMW Group creates an environment where passion can produce performance. Our employees confirm that we are on the right track: a survey of around 75,000 employees from 41 different countries revealed that 89% are satisfied to highly satisfied with their employer – such a high rate may well be unique in the industry.

Today for tomorrow. Life expectancy is rising; age demographics are changing. One thing is clear: in an aging society, long-term success depends on increasing employee efficiency and making use of their experience and knowledge. We are using a wide range of measures to tackle the challenges of demographic change, including comprehensive health management programs, flexible work schedules and ergonomic workstations. To help them achieve financial security in later years, the BMW Group also offers its employees private retirement plans which experts consider among the best in the industry.

Staying healthy, keeping fit. On-site fitness centres, free check-ups and lessons in weight and nutrition encourage a healthy lifestyle among our employees. Individuals are responsible for taking advantage of the programs and measures that meet their needs.

Find out more at www.bmwgroup.com/career

23

different technical and commercial trades can be learned at the BMW Group: quite a choice for the 1,100 or so young people who will be starting an apprenticeship at the BMW Group later this year.

50,000

days of training is the annual capacity of our training centres in China. The BMW Group operates two company-owned training centres and four training bases at universities.

2.7

occupational accidents per million hours worked at our company in 2008. Our efforts to create a safe working environment are paying off: the industry average is four accidents per million hours worked.

28,000

employees have taken part in the voluntary »Health Forum« since 2006. This free check-up offers individual counselling on risk factors and personal lifestyle.



Our international road safety projects help to make the roads safer
for children and teenagers.

06

Growing up safely.

Product responsibility means more to us than »just« making our vehicles and their drivers as safe as possible: we are committed to many programs to teach children and teenagers to use the roads safely.





Prevention stops accidents. We are working on innovations in our vehicles to help prevent accidents and protect those involved the best we can. But we are taking it one step further: road safety projects for children and teenagers help to make traffic as safe as possible for the most vulnerable road users.

Safely to school. »School Route Maps for Primary School Children« in Munich and Berlin introduce young children to the rules of the road. Children starting school are given individual maps of their route to school, with hints on special dangers along the way and explanations of the main traffic rules and signs. The initiative was launched in Munich in the early eighties and is planned for other locations. We also have highly-effective online projects, such as the interactive website »Safe on the Street«, which provides teachers and parents in the U.K. with information on traffic education for primary school children.

Safe driving around the world. Growing mobility presents people with new challenges – particularly in Asia and Latin America. In China, where about 40 children on average are killed in road accidents every day, we launched the project »Slow Down for Children« in 2005. Following some theoretical traffic training for children and their parents, the children get to try out what they have learned on the spot on BMW Baby Racers. By September 2009 some 6,000 children from 250 pre-schools had taken part in action days like this which are now held all across China.

Find out more at www.bmwgroup.com/roadsafety

Cool Wayz

is an Internet project launched by the BMW Group in the U.K. to help students to plan the safest route to school when they move up to the next school.

100,000

children at 500 Chinese pre-schools learned how to use the roads safely in 2008 thanks to our practice materials.

268,000

school starters in Munich have received a school route map showing the safest route to school from the German Road Patrol and the BMW Group since 1984.

3,400

students and young drivers have taken part in our »Road Education Program« in Argentina and Brazil since 2006. The number of fatal road accidents is particularly high in these countries: in Argentina, 29 people are killed on the roads per 100,000 of the population, in Brazil, 17 and in Germany, 8.

07

Safety first.

Starting out from our plant in South Africa, we have been involved in the fight against HIV and Aids for years. Our comprehensive prevention, treatment, care and support program is now having a global impact.





Active in the global fight against HIV and Aids: what started out at our plant in South Africa is now having an impact at other sites.



Helping where help is needed. In the year 2000 we developed an HIV/Aids strategy and set up a comprehensive prevention and treatment program. This program includes health tests, provision of medication and psychological treatment, as well as counselling on nutrition and lifestyle. Children who attend the plant's day-care centre are taught about the risks of HIV. Special forums were set up where employees can discuss how they deal with having the disease and the problems it brings.

Never give up. The starting point for any effective program is knowing your own HIV status. An extensive program of tests encourages greater individual responsibility. The most important goal is for those who are HIV-negative to do everything they can to protect themselves from future infection. Therapy and reintegration measures enable HIV-positive employees to continue to live and work as normally as possible. The entire management team took tests at the corporate medical centre to set an example for the employees.

From the inside out. In 2005, together with partners in Soshanguve in the neighbourhood of the BMW plant in Rosslyn, we opened a Community Health and Wellness Centre to provide the local population with medical and psychological care. Around a million members of the community can use this facility. South Africa is a good example of our commitment to the fight against HIV and Aids across the globe. In China and Thailand, we are also launching projects to educate and protect the local population.

Find out more at www.bmwgroup.com/aidsprogram

33 million

people around the world are infected with HIV/Aids; two million die from the disease every year. The BMW Group is working to prevent the spread of the disease and is involved in mitigating the impact of the disease in South Africa, Thailand and China.

5,000

people a month come to the Community Health and Wellness Centre in Soshanguve, South Africa. This is an area that is home to many of the employees at the BMW plant in Rosslyn. The centre was built in 2005 with the support of the BMW Group and German donor funding.

Knysna

in South Africa is the most recent example of the BMW Group's commitment to the fight against HIV/Aids. This is where, in November 2007, we opened an HIV/Aids youth centre together with the organization LoveLife. As well as providing educational and leisure activities, it also teaches young people about HIV/Aids.

86 %

of the BMW Group's South African employees took voluntary HIV tests in 2008. The infection rate of 7% among our employees is below the national average.

Responsibility acknowledged.



Our actions are making a difference – independent sources confirm it.

Prizes and awards which recognized the BMW Group for its eco-friendly vehicle developments and activities in the field of sustainability:

The BMW 118d is World Green Car of the Year.

Nearly 50 automotive journalists voted the BMW 118d World Green Car of the Year 2008 for its exceptional reduction in emissions.

»Grünes Lenkrad« award for BMW EfficientDynamics.

The German Sunday newspaper »Bild am Sonntag« voted BMW EfficientDynamics best environmentally-friendly innovation in 2007.

Green Award for BMW EfficientDynamics.

British magazine »What Car?« honoured the BMW EfficientDynamics package with the Green Award 2008.

Fleet award for Efficient Dynamics.

»Autoflotte« magazine presented Efficient Dynamics with its 2009 fleet award in the category »environmental initiative«.

Sector leader in the Dow Jones Sustainability Index 2005, 2006, 2007, 2008.

The selection process for this major index for corporate sustainability analyzes the economic, environmental and social performance of approximately 2,500 companies and chooses the best in each sector. The BMW Group has taken first place for the past four years – making it the most sustainable company in the automotive sector.

BMW Group listed in the FTSE4Good and FTSE4Good Environmental Index.

The BMW Group is listed in these major indexes on the London Stock Exchange for exceptional performance in the fields of sustainability and environmental protection.

Environmental certification from ÖKO-Trend.

The BMW Group earned the highest number of points awarded in the automotive sector for outstanding corporate responsibility – winning the coveted certificate once again.



Contact

We welcome your ideas, suggestions and opinions – so that we can continue to make improvements in sustainability. Send us an email at sustainability@bmwgroup.com

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The BMW Group on the Internet

www.bmwgroup.com

Further information and publications about the BMW Group's sustainability activities are available at

www.bmwgroup.com/responsibility

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