



November 4, 2011  
Dr. Alexander Nick

# **CORPORATE SUSTAINABILITY AT THE BMW GROUP.**

## **SRI CAPITAL MARKETS DAY.**

**BMW  
GROUP**



Rolls-Royce  
Motor Cars Limited

# CORPORATE SUSTAINABILITY AT THE BMW GROUP.

Sustainability Ambition and Drivers

Corporate Sustainability Strategy & Management at BMW Group

Implementation and Best Practice of Corporate Sustainability within the BMW Group



Rolls-Royce  
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## CONFERENCE CALL REPORT ON 3 NOVEMBER 2011. DR. NORBERT REITHOFER ON SUSTAINABLE MOBILITY.



“The BMW Group is on track for success.

Our strategy is paying off and is our guideline for successful and profitable development within a volatile business environment. [...]

I’m convinced that truly sustainable mobility can only arise from a holistic approach.

This is an inherent part of our premium claim.

And this will keep us in the forefront as the leading premium car company in our industry.”

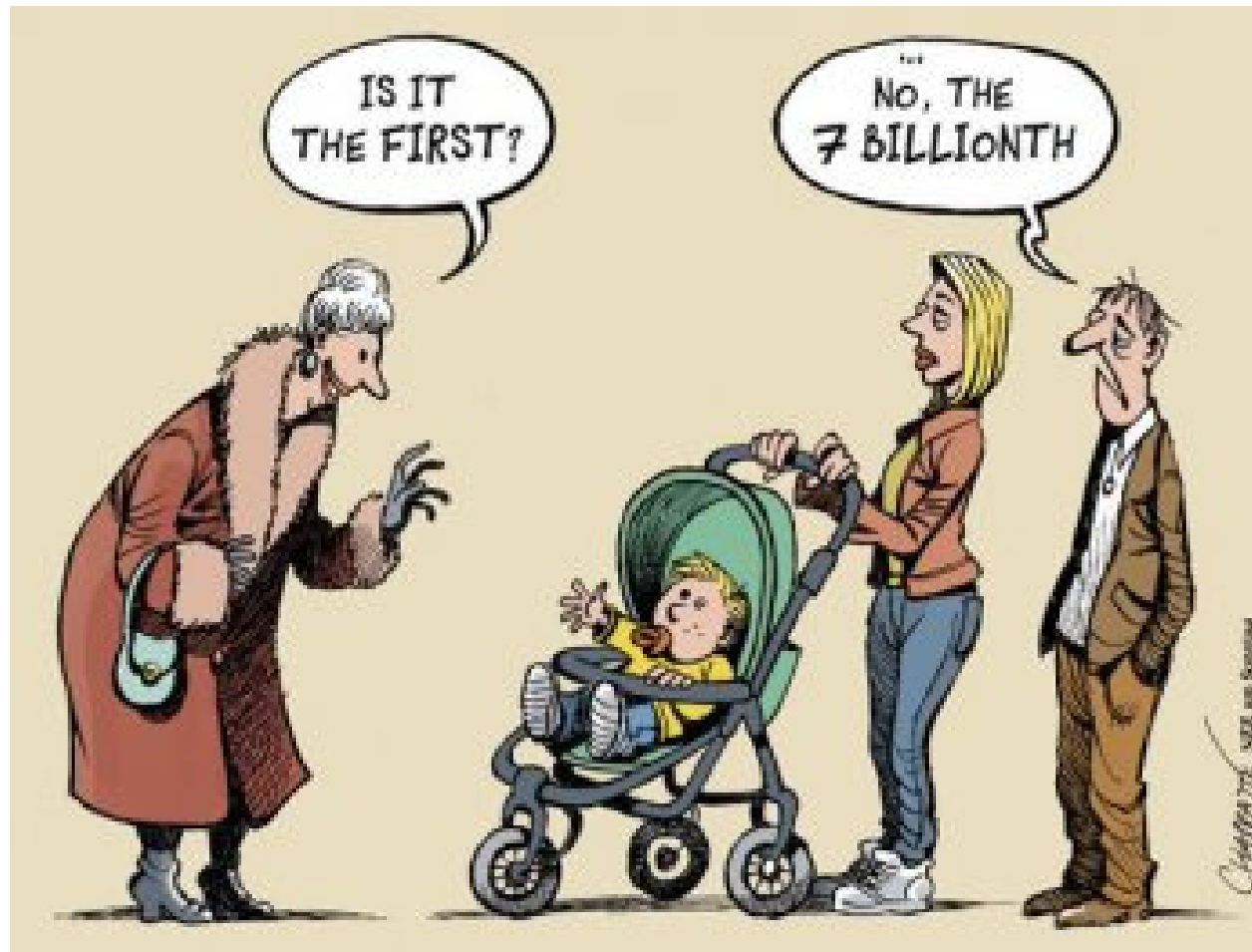
**BMW GROUP.  
STRATEGIC OBJECTIVE.**

**The BMW Group is the leading provider of premium products and premium services for individual mobility.**



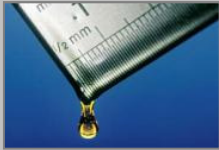
# CURRENT DEVELOPMENT AND DRIVERS.

## 7 BILLION ON 31 OCTOBER 2011.





# CURRENT DEVELOPMENT AND DRIVERS. CLEAR TREND TOWARDS MORE SUSTAINABILITY.



## Shortage of resources

- Sustainability in actions and products is a basic requirement



## Tighter legislation

- Social and environmental compatibility of products is essential for future success



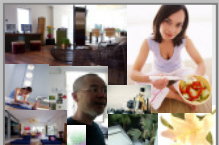
## Environment/ Climate Change

- Stringent action program against Climate Change is required



## Urbanization / population growth

- Different mobility types and needs
- Diverse product offering necessary

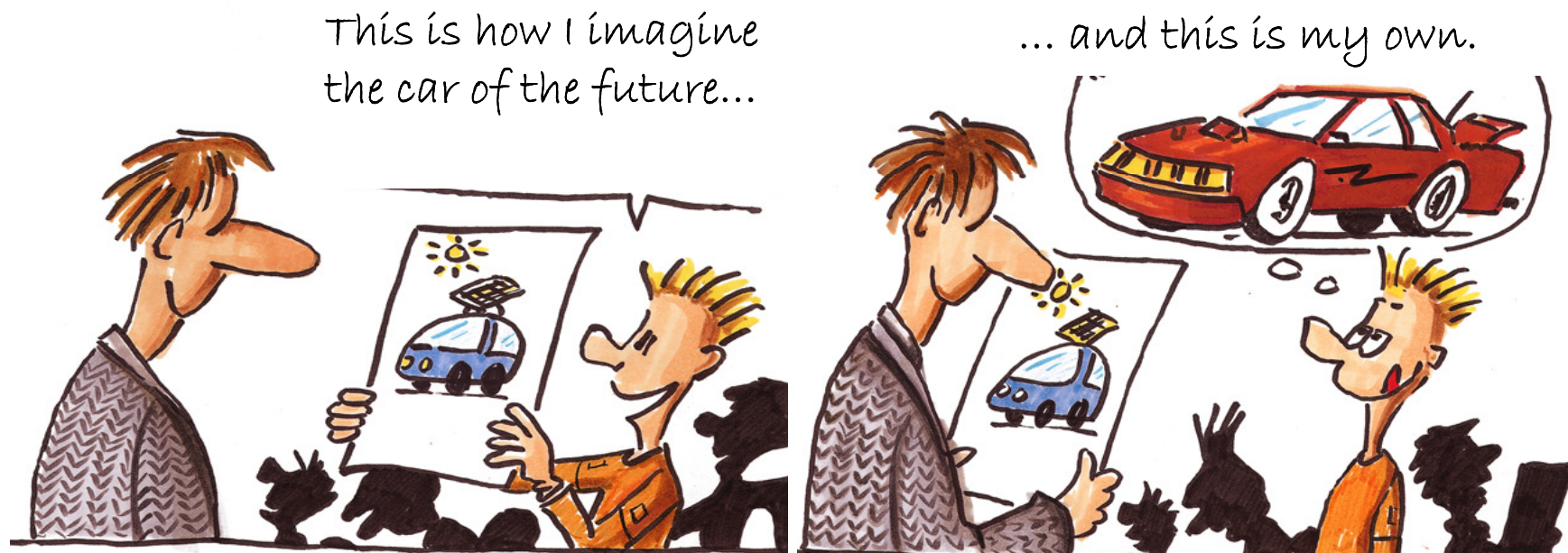


## Changing values

- Sustainable mobility as part of a modern urban lifestyle. Change as an opportunity

# CURRENT DEVELOPMENT AND DRIVERS. CUSTOMER NEEDS.

Customer needs are changing, but cognitive dissonance remains ...





# BMW GROUP AUTOMOBILES. THREE AUTHENTIC PREMIUM BRANDS.



Sheer driving  
pleasure



The world's most  
exciting premium  
small car brand



The pinnacle of  
automobile luxury



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# CORPORATE SUSTAINABILITY HAS A LONG HISTORY AT THE BMW GROUP.

**1973:** First Environmental Officer in the Automotive Industry

**2000:** Executive Board Resolution: “Sustainability is the guiding principle of the BMW Group corporate strategy.”

**2009:** Establishment of Sustainability Circle and Board, Corporate Sustainability is established as a corporate target.



**Dr. Norbert Reithofer, Chairman of the Board of Management :**

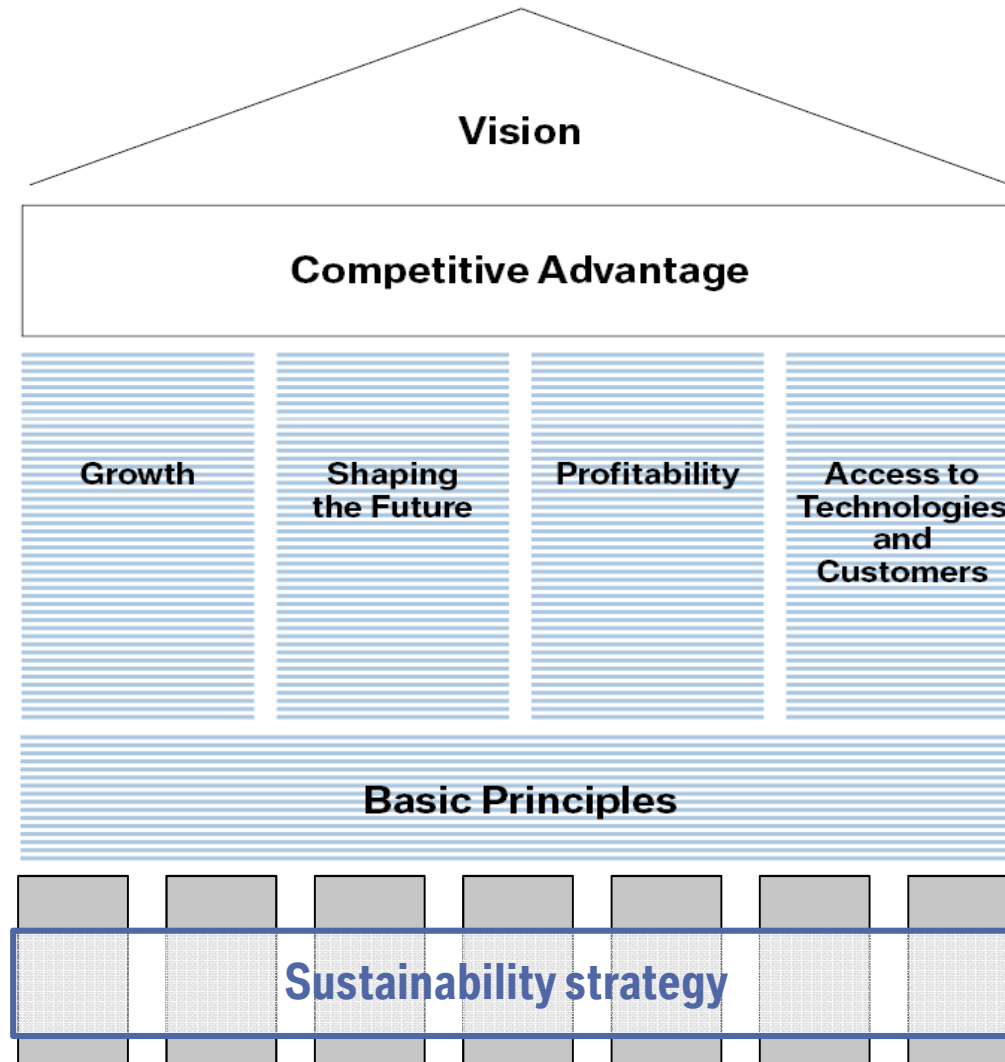


„In the future, premium will also be defined by sustainability.“

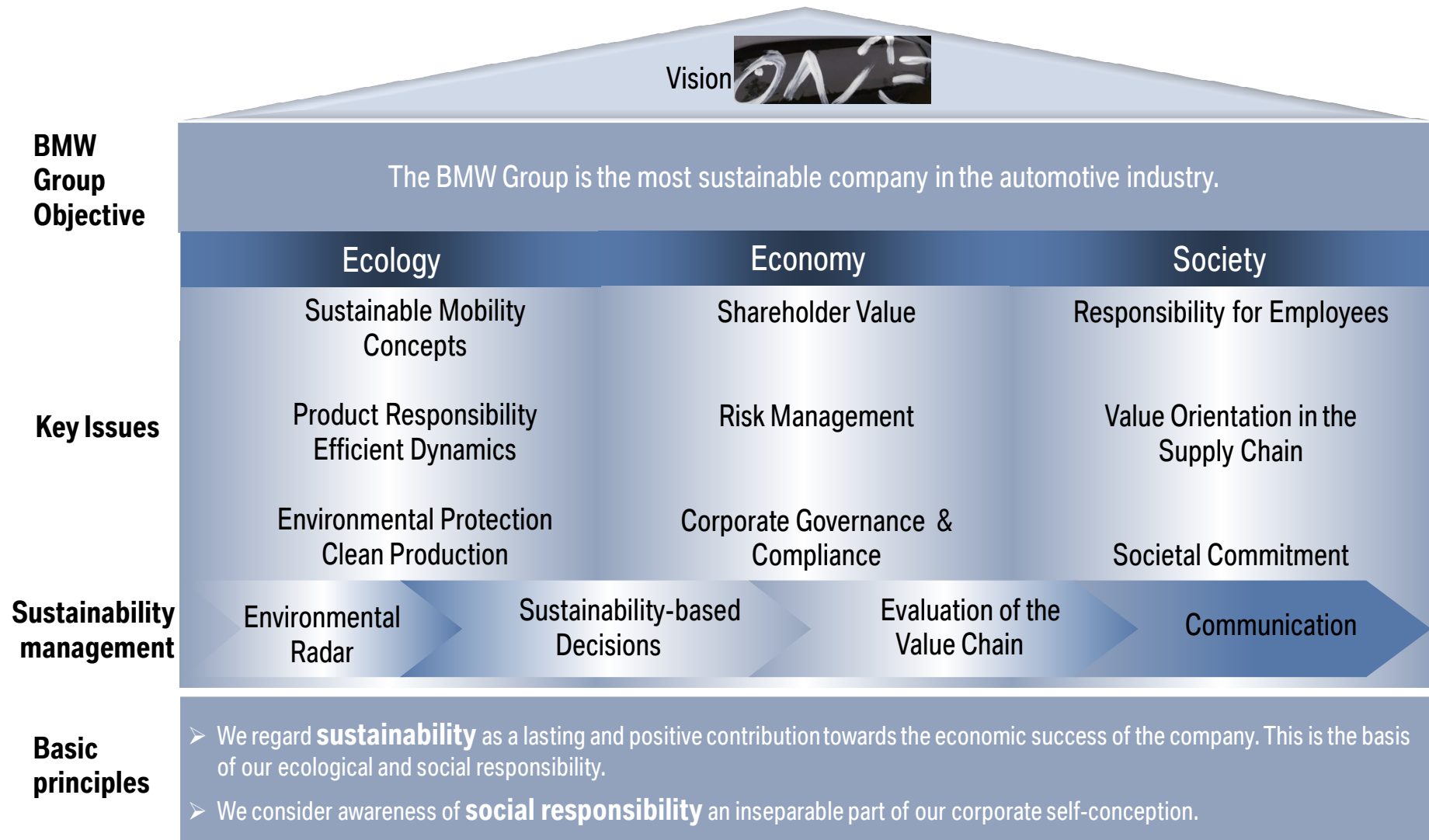
Dr. Norbert Reithofer, Vorsitzender des Vorstands der BMW Group

# THE BMW GROUP'S SUSTAINABILITY STRATEGY

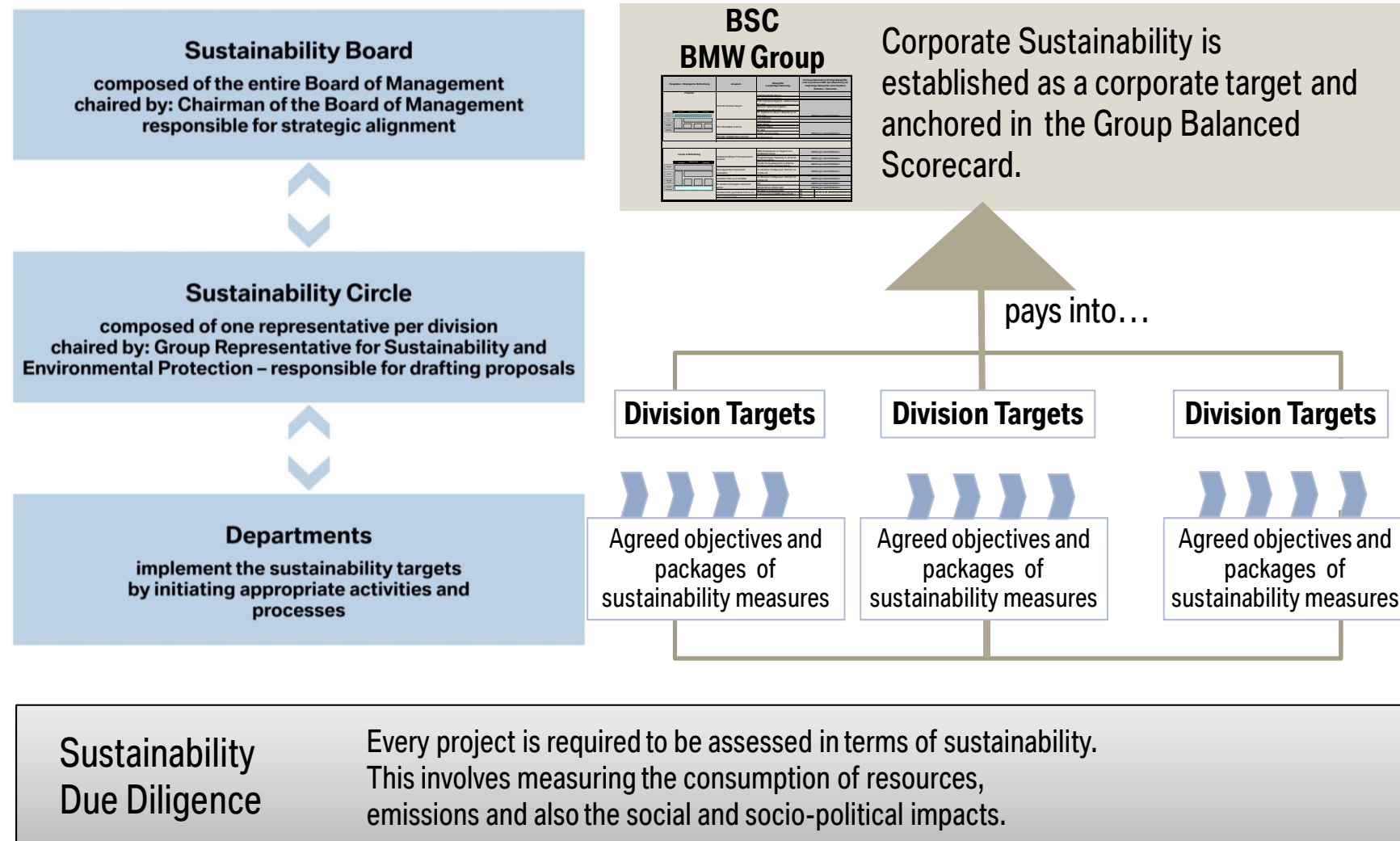
## SUSTAINABILITY IS INTEGRAL PART OF THE CORPORATE NUMBER ONE STRATEGY.



# THE BMW GROUP'S UNDERSTANDING AND STRATEGY OF CORPORATE SUSTAINABILITY.

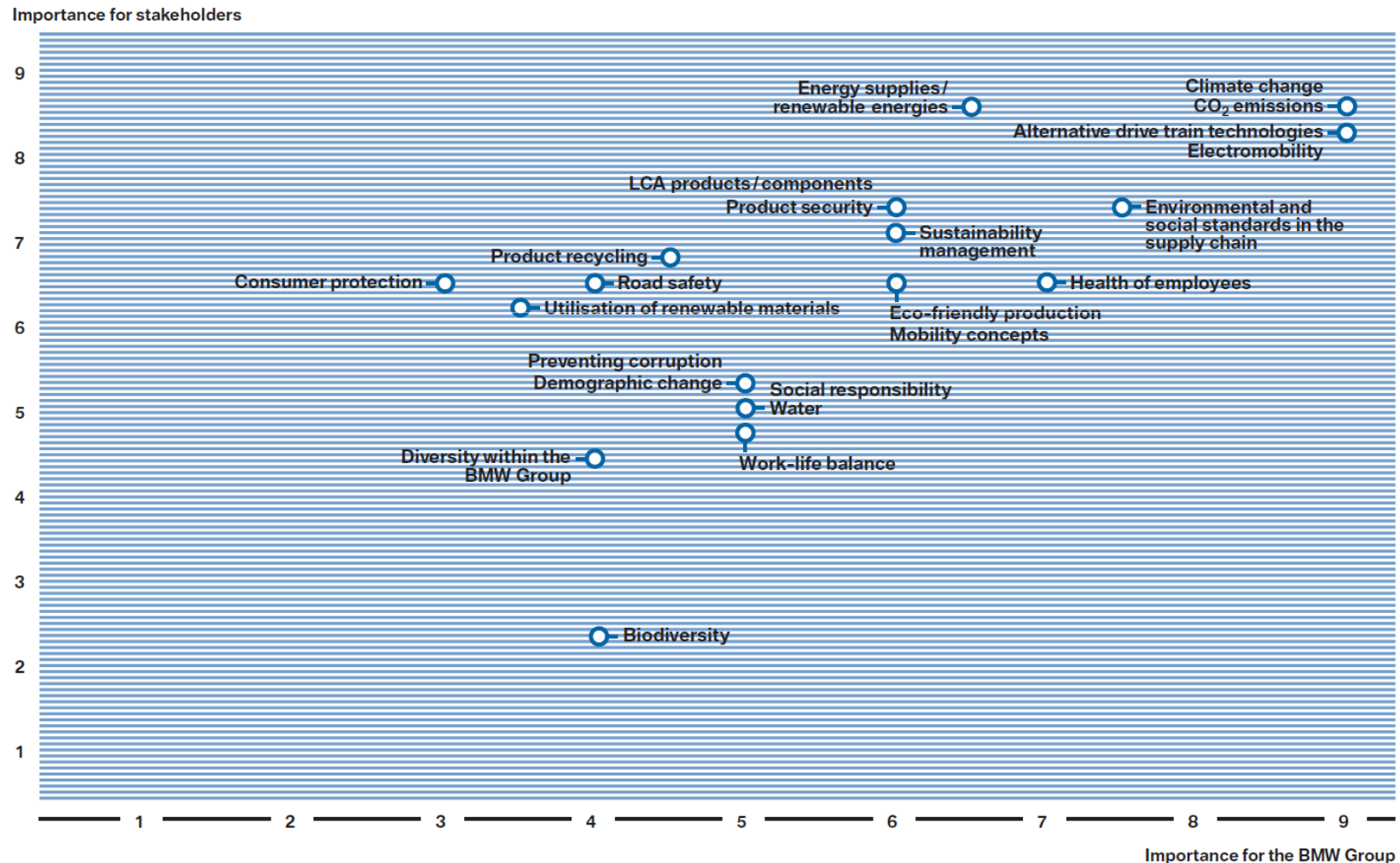


# THE BMW GROUP'S UNDERSTANDING AND STRATEGY OF CORPORATE SUSTAINABILITY.





# MATERIALITY ANALYSIS. IMPORTANT SUSTAINABILITY ISSUES FOR OUR STAKEHOLDERS AND FOR THE BMW GROUP.



# PROGRESS 2010 AND GOALS 2011FF.

	Progress 2010	Goals
Sustainability Management	<ul style="list-style-type: none"> <li>– Sustainability is now a purchasing criterion in the selection of suppliers</li> <li>– Further integration of sustainability in our functional strategies</li> </ul>	<ul style="list-style-type: none"> <li>– Integration of sustainability in all divisions by the end of 2012</li> <li>– Establish sustainable business practices along the entire value chain by the end of 2012</li> </ul>
Products	<ul style="list-style-type: none"> <li>– 30% reduction in CO<sub>2</sub> emissions from our new vehicles in Europe (EU-27) by 2010 (compared to 1995)</li> <li>– MINI E test fleet has been successful, with 600 vehicles clocking up more than 15 million km in Europe, the U.S., and Asia since mid-2009.</li> </ul>	<ul style="list-style-type: none"> <li>– Reduce CO<sub>2</sub> emissions from our global fleet of new vehicles by at least 25% by 2020 (compared to 2008)</li> <li>– Launch BMW Active E; Develop BMW i3 &amp; BMW i8 to market standard by 2013</li> <li>– Develop new mobility services; one million DriveNow users by 2020</li> <li>– Develop car-to-car communications to reduce congestion and emissions by 2011/2012</li> </ul>
Production	<ul style="list-style-type: none"> <li>– 5% less water, process wastewater, waste and VOCs per vehicle produced from 2009 to 2010</li> <li>– 4,8 % less energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>– Achieve 30% less energy, VOCs, water, process wastewater and waste per vehicle produced between 2006 and 2012</li> </ul>
Employees	<ul style="list-style-type: none"> <li>– Introduced „Today for Tomorrow“ pilot project for age-appropriate working conditions</li> <li>– Large number of flexitime models offered</li> <li>– New Young talent retention programmes launched</li> </ul>	<ul style="list-style-type: none"> <li>– Train 100% of our management staff on sustainability by end of 2012</li> <li>– Group wide roll-out of „Today for tomorrow“ in 2012</li> <li>– Group wide roll-out of Health Management 2020 programme</li> </ul>

# EMPLOYEE QUALIFACTION ON SUSTAINABILITY.

„Sustainability  
on Tour“



**ca. 2.500 employees (2009-2010)**

Discussions with  
Joschka Fischer and  
Madeleine Albright



**ca. 2.000 management staff (2009-2010)**

Leadership  
Trainings



**ca. 2.800 management staff (2010-2011)**

Trainees



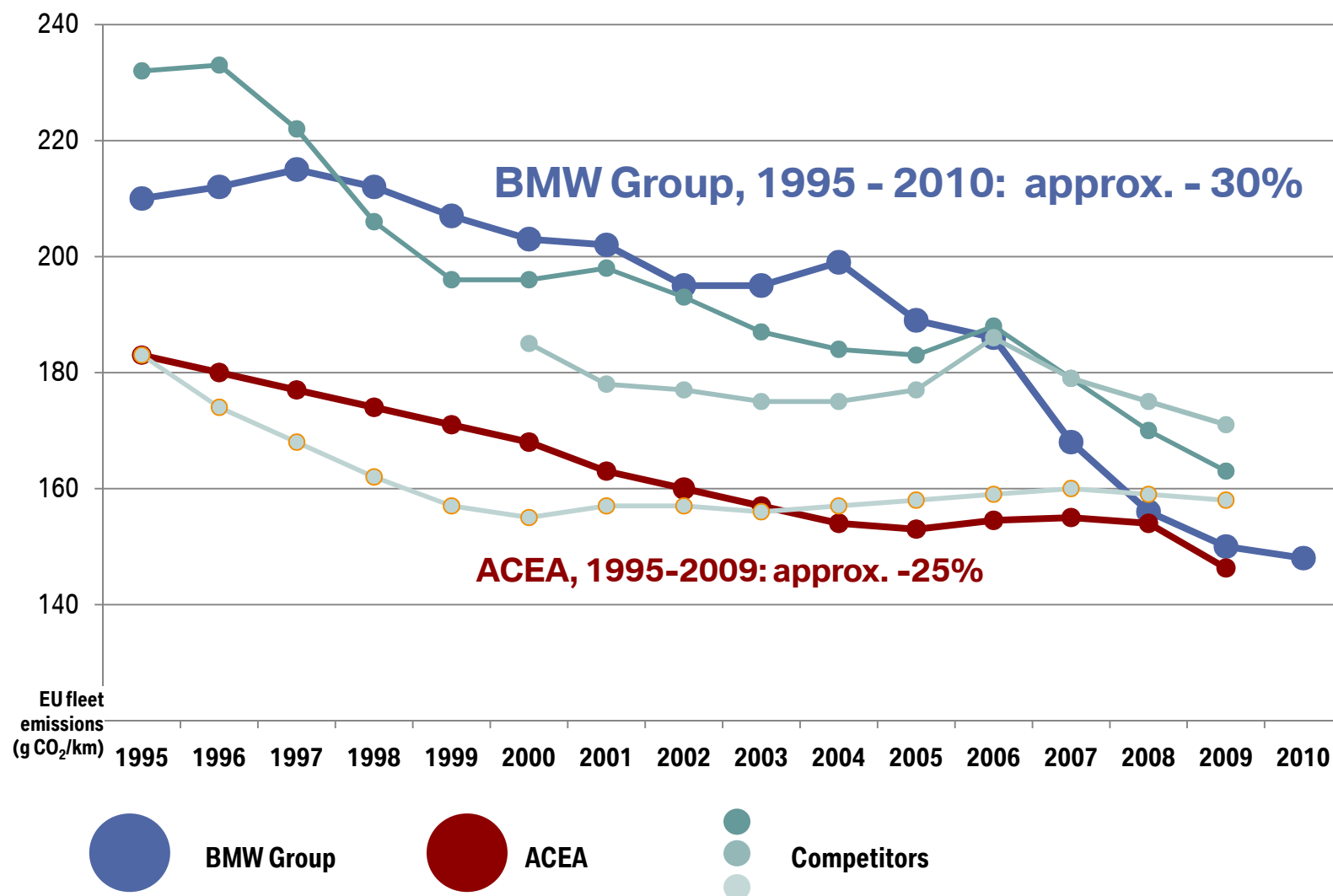
**ca. 700 trainees (2009-2011)**

Environmental  
protection training  
for select groups



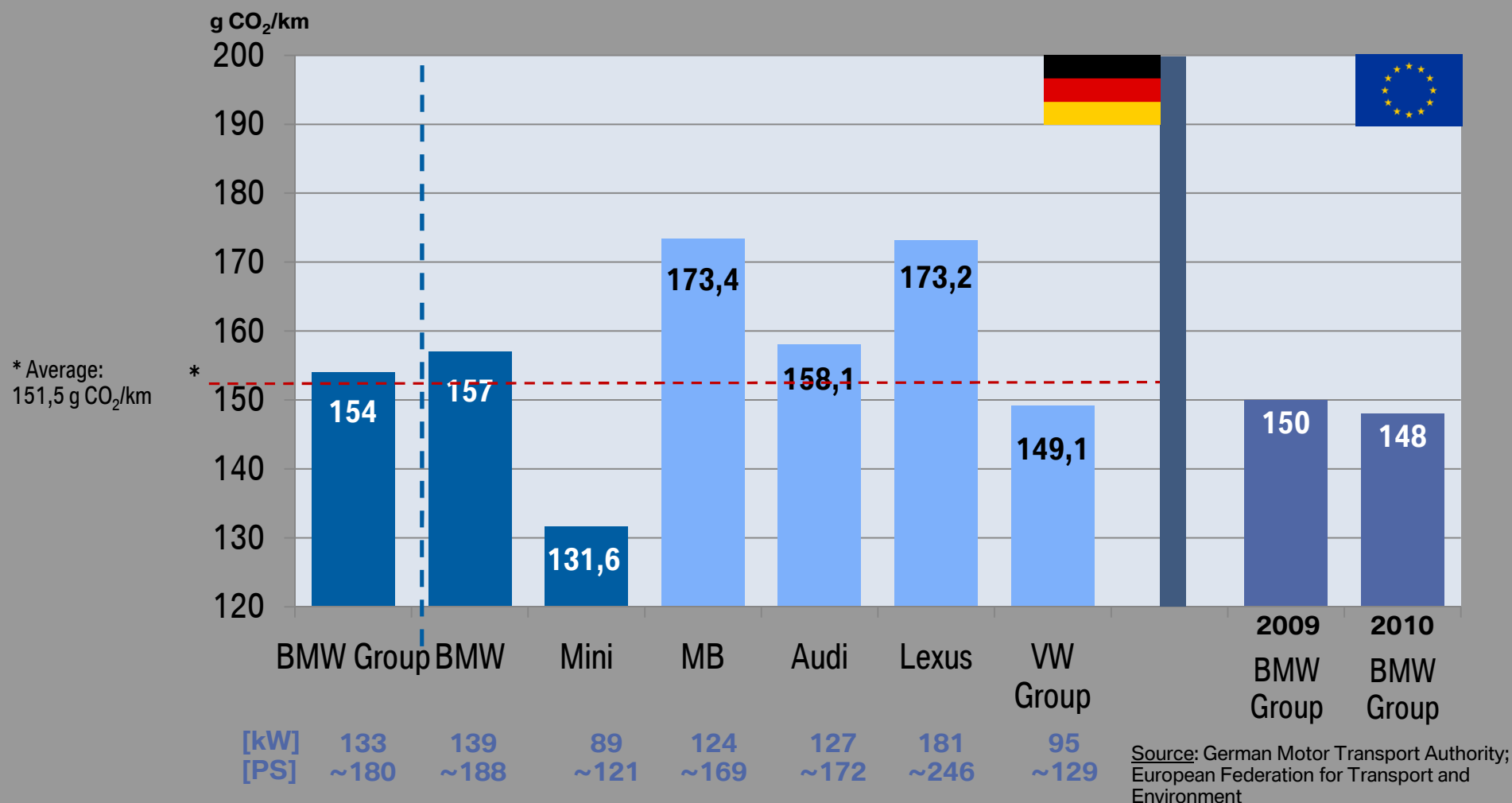
**ca. 350 employees in 2010**

# BMW EFFICIENT DYNAMICS. ACEA VOLUNTARY COMMITMENT.



# BMW EFFICIENT DYNAMICS. BMW GROUP FLEET EMISSIONS SIGNIFICANTLY LOWER THAN COMPETITORS'.

Carbon emissions of new cars registered in Germany and EU in 2010



# EXTERNAL RECOGNITION. THE BMW GROUP IS THE INDUSTRY LEADER.

- **Dow Jones Sustainability Indexes/Dow Jones STOXX Sustainability Indexes:** Industry leader since 2005, the only automotive company continuously listed since 1999.
- **FTSE4Good:** listed in FTSE4Good, FTSE4Good Environmental Index.
- **Carbon Disclosure Project:** Inclusion in the Carbon Disclosure Leadership Index 2011 and in the Carbon Performance Leadership Index 2011.
- **Oekom:** Corporate Responsibility Rating oekom 2009, Status Prime.
- **Sustainalytics:** 1st place in "DAX 30 Nachhaltigkeitsrating" in 2009.
- **ÖKOTREND:** certificate for outstanding corporate responsibility (most points in the automotive industry).





# CORPORATE SUSTAINABILITY AT THE BMW GROUP.

Sustainability Ambition and Drivers

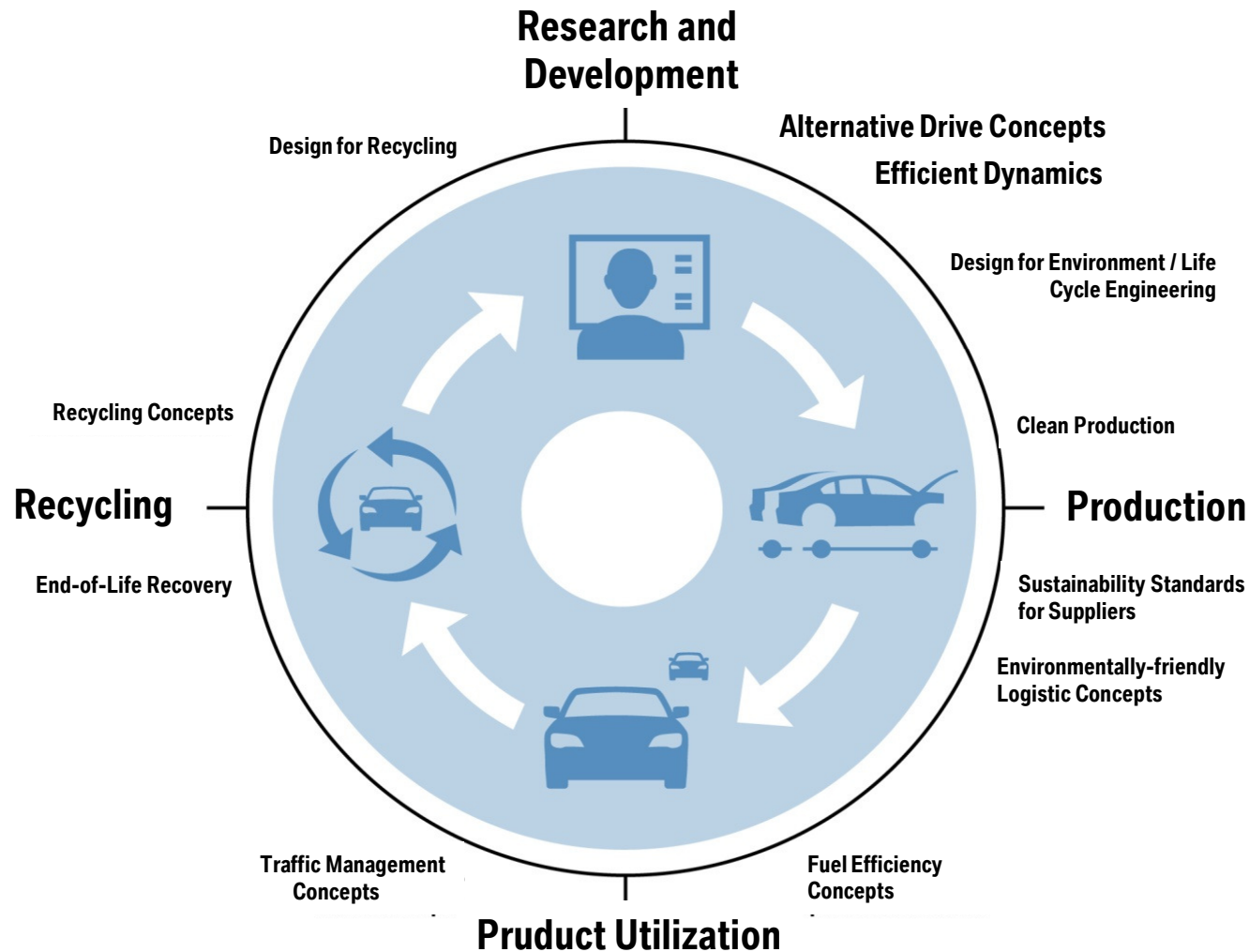
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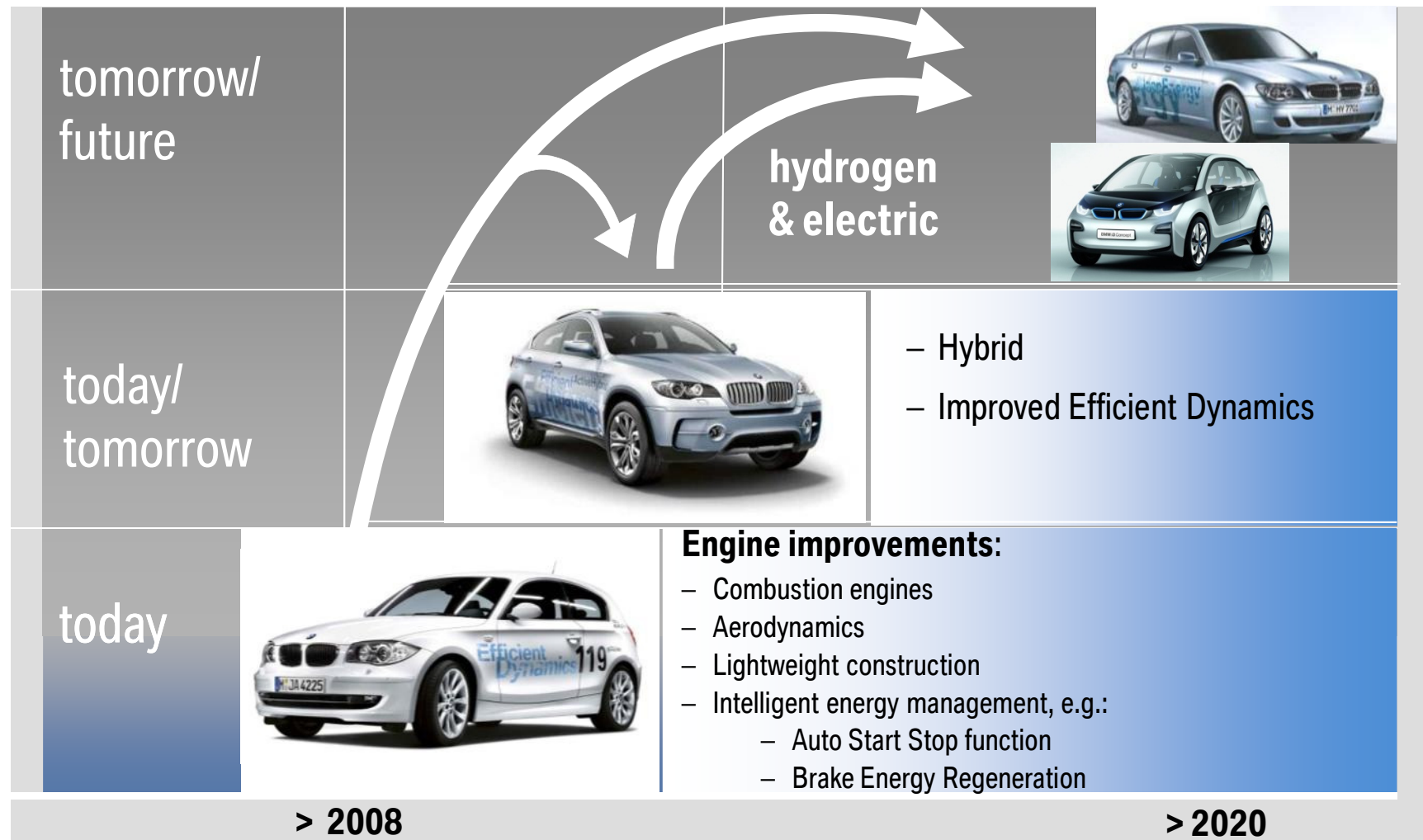


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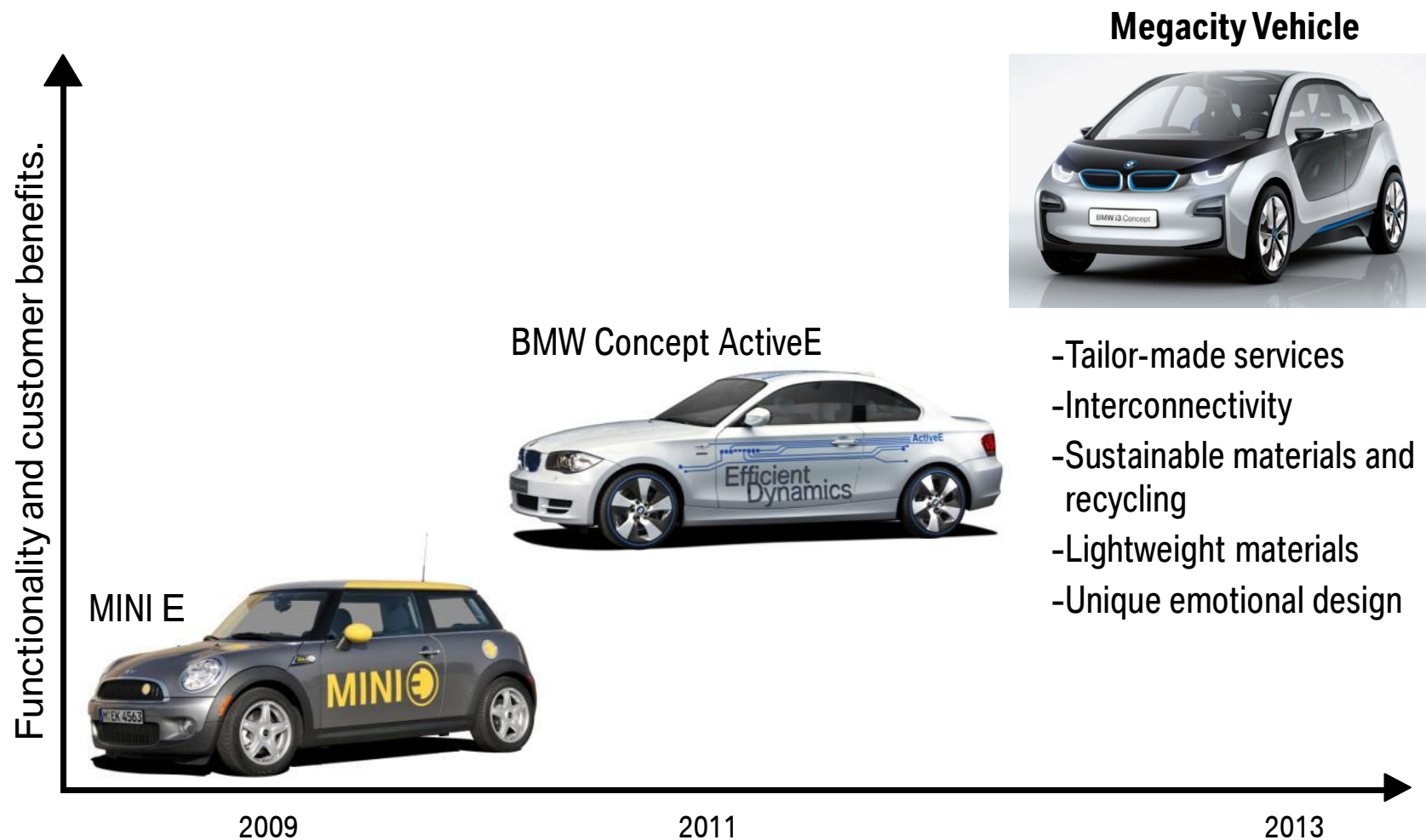
# IMPLEMENTATION OF CORPORATE SUSTAINABILITY THROUGHOUT THE VEHICLE LIFECYCLE.



# SUSTAINABLE MOBILITY. THE BMW GROUP'S VISION. EFFICIENT DYNAMICS IN THREE PHASES.



# BMW GROUP ROADMAP FOR E-MOBILITY. THE MEGACITY VEHICLE IS MORE THAN AN ELECTRIC VEHICLE.



# EXAMPLES CLEAN PRODUCTION. SUSTAINABILITY BEING VIGOROUSLY IMPLEMENTED.

Use of near-surface groundwater to cool buildings, R&D center Munich



Methane gas project,  
Spartanburg



Axle gear assembly,  
Dingolfing



Inorganic core manufacturing,  
Landshut





# EXAMPLES CLEAN PRODUCTION. SUSTAINABILITY BEING VIGOROUSLY IMPLEMENTED.

Use of near-surface groundwater to cool  
buildings, R&D center Munich

## **Environmental impact:**

Electricity: - 10.000 MWh/a

CO<sub>2</sub> emissions: - 6.300 t/a

## **Financial impact:**

One-time investment: 6 Mio. €

Reduction of energy costs by 1 Mio. €/a.

Methane gas project,  
Spartanburg

## **Environmental impact:**

Natural gas: - 400.000 MWh/a

CO<sub>2</sub> emissions: - 92.000 t/a

## **Financial impact:**

One-time investment: + 8,6 Mio. €

Reduction of energy costs by 5 Mio. €/a.

Axle gear assembly,  
Dingolfing

## **Environmental impact:**

Energy usage: -20%

## **Financial impact:**

One-time investment: 20 Mio. €

Reduction of manufacturing costs by 20%

Lower defect rate, lower absenteeism,  
productivity increase

Inorganic core manufacturing,  
Landshut

## **Environmental impact:**

Electricity: - 2.600.000 kWh/a

Natural gas: - 1.900.000 m<sup>3</sup>/a

Emissions reduction: 98%

## **Financial impact:**

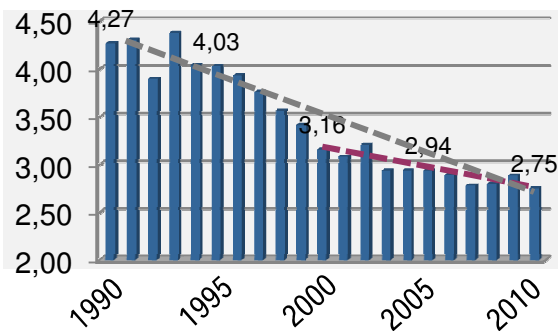
Reduction of energy costs by 743.400 €/a



# IMPLEMENTATION OF CORPORATE SUSTAINABILITY. ENVIRONMENTAL DATA 1990 - 2010.

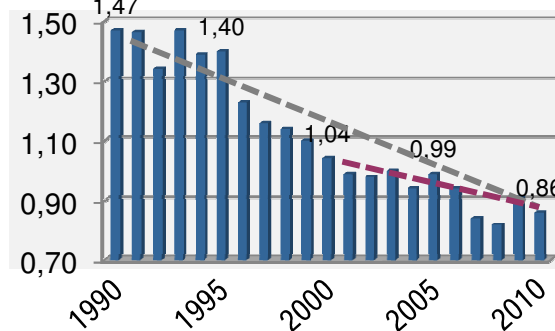
**Energy consumption  
per vehicle produced**

in MWh/E



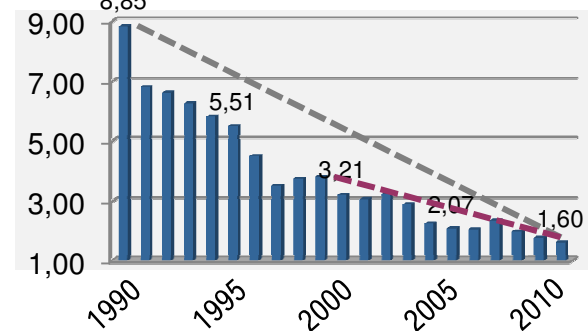
**CO<sub>2</sub> emissions per  
vehicle produced**

in t/E



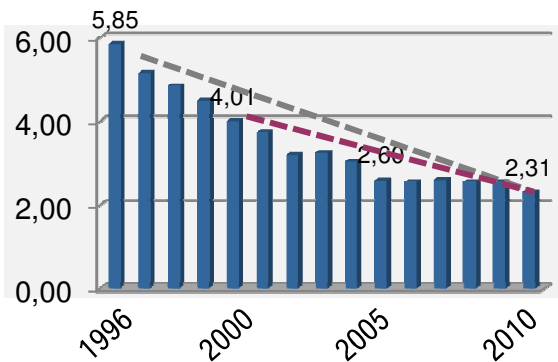
**VOC emissions per  
vehicle produced**

in kg/E



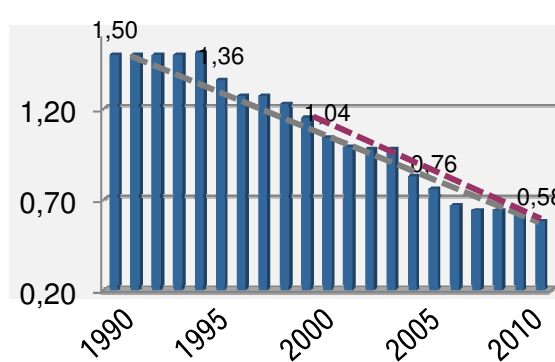
**Water consumption per  
vehicle produced**

in m<sup>3</sup>/E



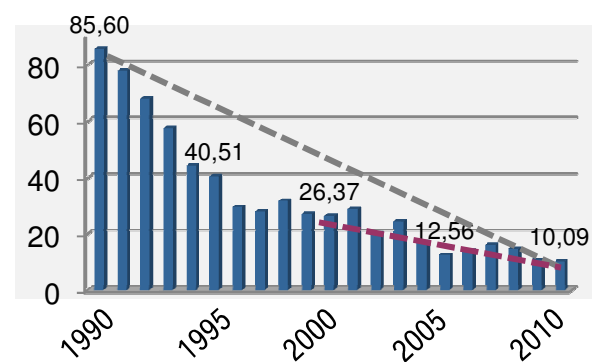
**Process wastewater per  
vehicle produced**

in m<sup>3</sup>/E



**Waste for disposal per  
vehicle produced**

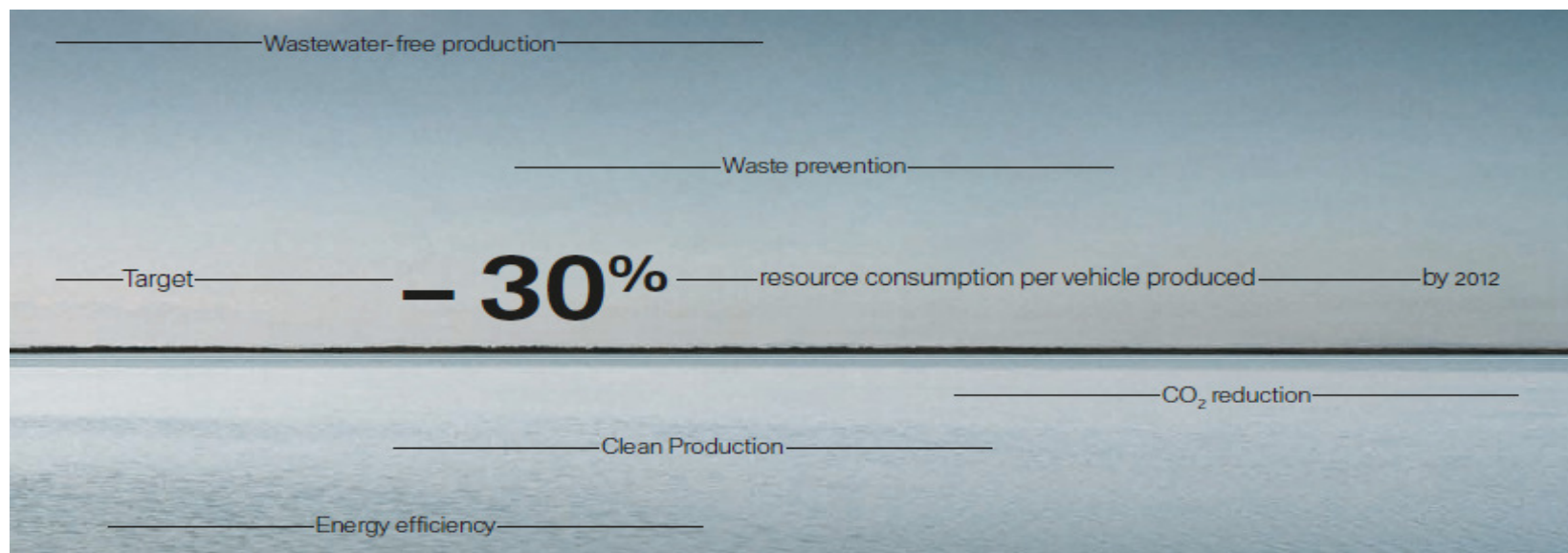
in kg/E



2000 - 2006: 10 plants / ab 2007: 17 plants

Die Schwankungen resultieren aus  
den Änderungen des Abfallrechts

# CORPORATE SUSTAINABILITY PAYS OFF. EFFICIENT USE OF RESOURCES.



## Profitability and resource efficiency – Savings from 2009 to 2010:

Water:	370.000 m <sup>3</sup>	0,5 Mio. Euro
Energy:	380.000 MWh	20,0 Mio. Euro
Waste:	5,1 %	0,1 Mio. Euro
		-----
		<b>~20 Mio. Euro in savings</b>
		(2009: ~10 Mio. Euro)

# CORPORATE SUSTAINABILITY AT THE BMW GROUP. MORE INFORMATIONEN ONLINE.

- **Responsibility:**  
[www.bmwgroup.com/responsibility](http://www.bmwgroup.com/responsibility)
- **Sustainable Value Report 2008:**  
[www.bmwgroup.com/sustainability](http://www.bmwgroup.com/sustainability)
- **BMW EfficientDynamics:**  
[www.bmw.de/efficientdynamics](http://www.bmw.de/efficientdynamics)
- **Production:**  
[www.bmwgroup.com/production](http://www.bmwgroup.com/production)
- **Recycling:**  
[www.bmwgroup.com/recycling](http://www.bmwgroup.com/recycling)
- **Social Commitment:**  
<http://www.bmwgroup.com/socialcommitment>
- **BMW i:**  
[www.bmw-i.de/](http://www.bmw-i.de/)



**THANK YOU!**

**BMW  
GROUP**



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