



September 2014

SUCCESS FACTOR CORPORATE SUSTAINABILITY.

**BMW
GROUP**



Rolls-Royce
Motor Cars Limited

SUCCESS FACTOR CORPORATE SUSTAINABILITY. AGENDA.

How does our holistic approach of implementing sustainability along the entire value chain look like?

What are our sustainability targets for 2020?

What is our management approach to ensure target achievement?



GLOBAL TRENDS ARE DRIVING THE FUTURE OF SUSTAINABLE MOBILITY.



Environment

Climate change and the subsequent effects



Urbanization

By 2030, over 60% of world population will live in cities



Politics and Regulations

CO₂- and fleet regulations,
Restrictions on imports

DRIVING FACTORS

Economics

Shortage of resources, increase in the price of fossil fuels



Culture

Sustainable mobility as part of a modern urban lifestyle; assumption of social responsibility

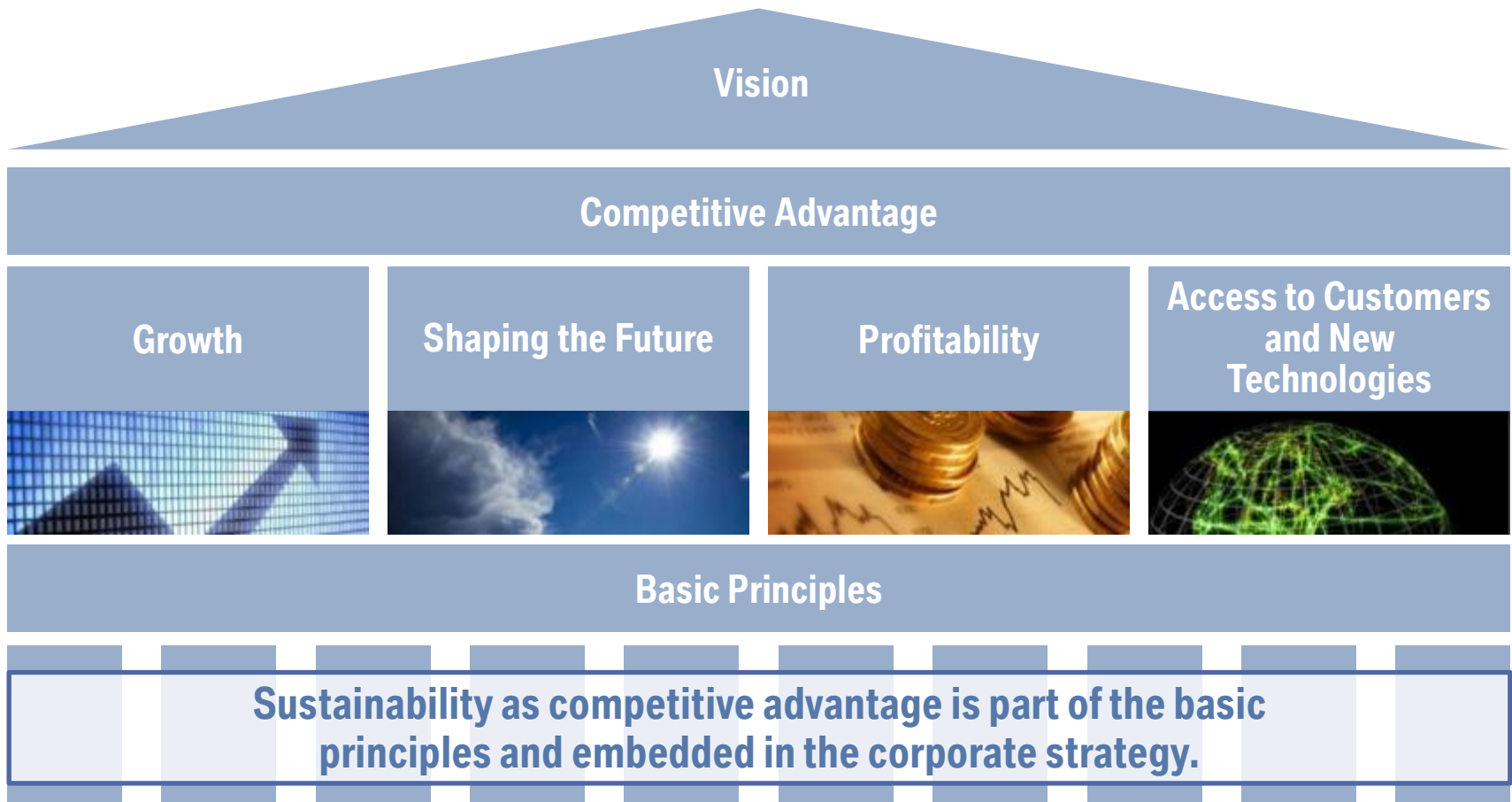


Customer Expectations

Changing values



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



THE ENTIRE BOARD OF MANAGEMENT IS COMMITTED TO SUSTAINABILITY.

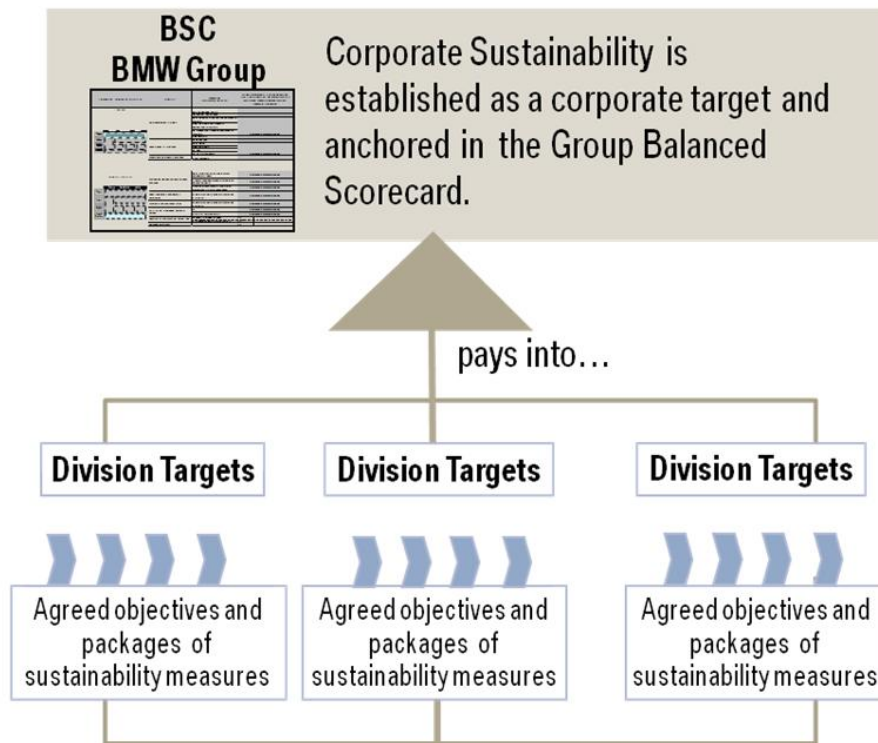
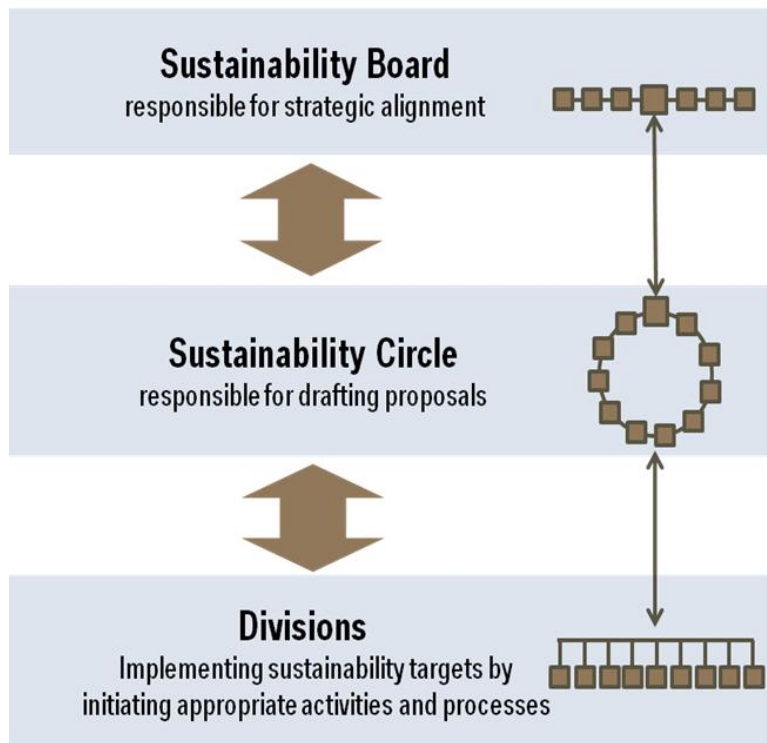


„Sustainability throughout the value added chain is inseparable from our corporate self-image.

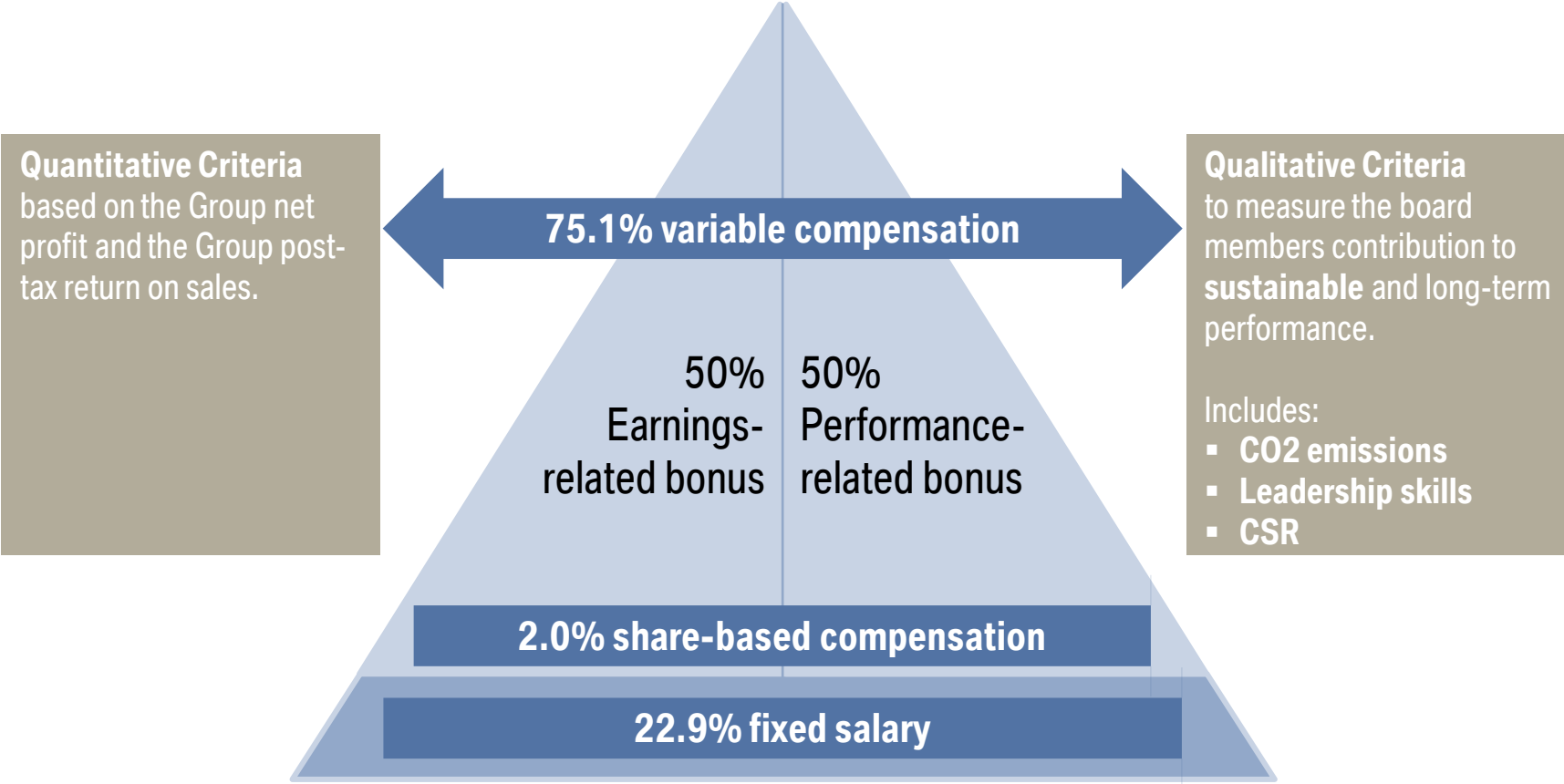
This is why we choose to take responsibility. Because of our convictions, but also our self-interest, now and in the future.“

Dr. Norbert Reithofer, Chairman of the Board of Management of the BMW Group

OUR CORE PRINCIPLES FORM THE FOUNDATION FOR OUR SUSTAINABLE OPERATIONS.



SUSTAINABILITY AS A REMUNERATION FACTOR. COMPENSATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT IN 2013.



Introduction 2011: 20% of the board members total bonus must be invested in common stock and required to be held for 4 years.

SUCCESS FACTOR CORPORATE SUSTAINABILITY. AGENDA.

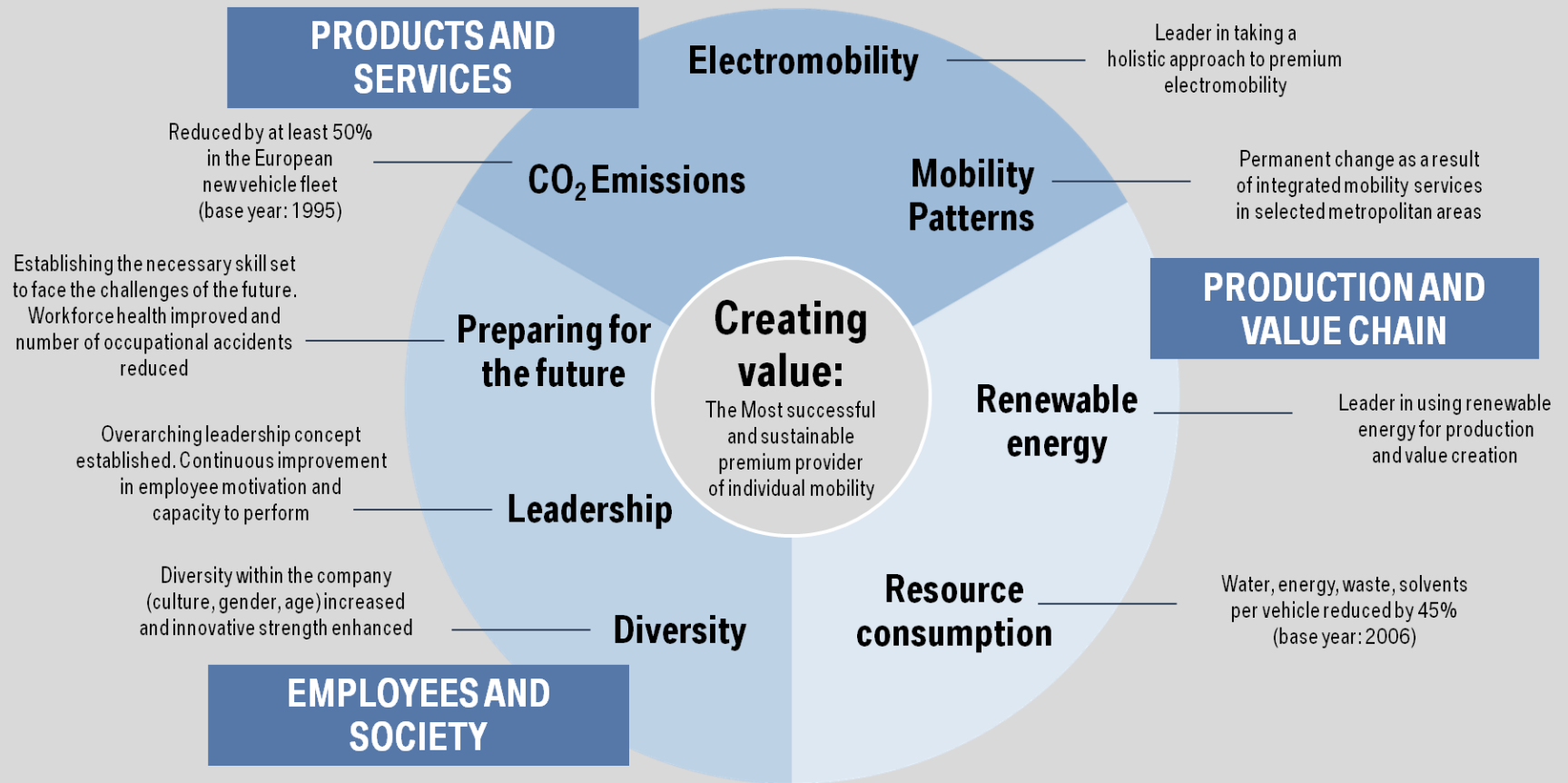
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WE WILL CONTINUE TO LEAD THE WAY. SUSTAINABILITY TARGETS 2020.



SUCCESS FACTOR CORPORATE SUSTAINABILITY. AGENDA.


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**What is our management approach to ensure target achievement for
“Employees and Society”?**



HR STRATEGY GEARED TO THE LONG-TERM TO ATTRACT AND KEEP THE BEST EMPLOYEES.



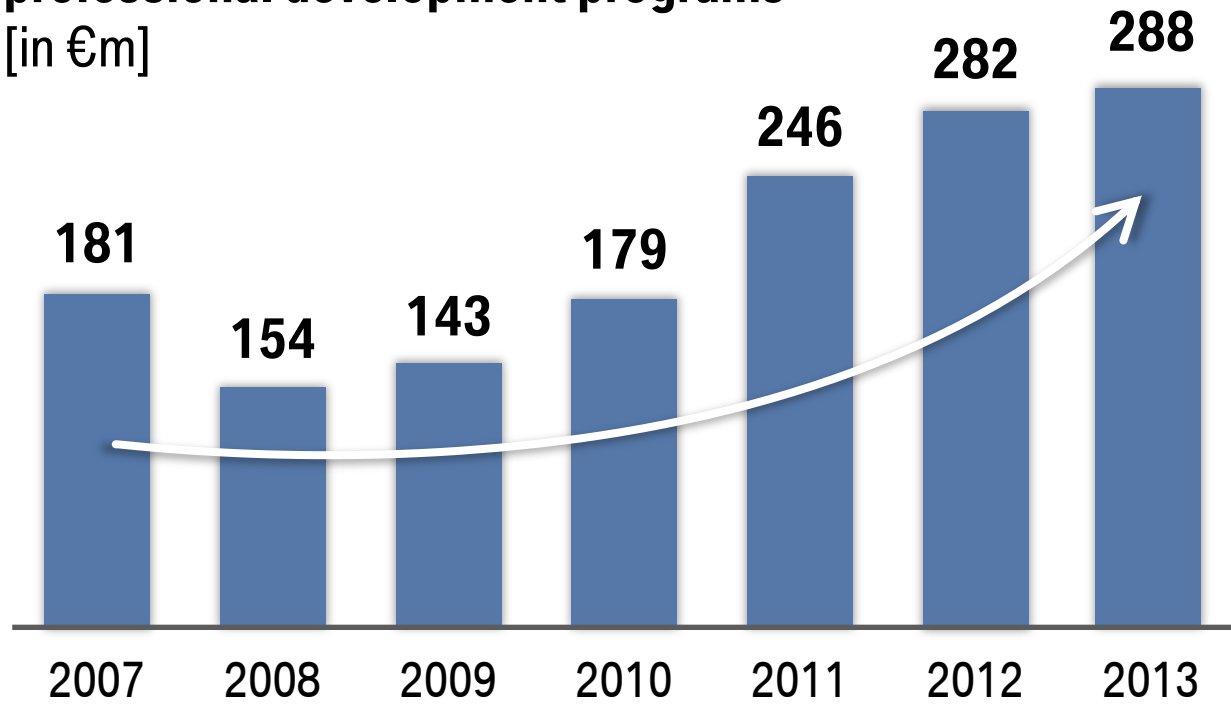
**BMW Group is considered as an attractive employer:
Above average-remuneration and extensive social benefits.**

Integrated health management, working systems to suit an ageing workforce and a high degree of job safety.

Work –life-Balance: BMW Group offers a wide range of tools to make working hours and workplaces more flexible and to help with childcare and elderly care.

SUCCESS FACTOR CORPORATE SUSTAINABILITY. € 288 MILLION INVESTED IN OUR ASSOCIATES IN 2013.

**Investment in vocational training/
professional development programs**
[in €m]



SUCCESS FACTOR CORPORATE SUSTAINABILITY. DIVERSITY MAKES US STRONG.



17.4 % share of female employees in total workforce at BMW Group in 2013 (+5.4%).

13.8% share of female employees in management positions at BMW Group in 2013 (+8.7%).

20% share of female Supervisory Board members.

1 female Board member at the Management Board.



SUCCESS FACTOR CORPORATE SUSTAINABILITY. AGENDA.

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**What is our management approach to ensure target achievement for
“Products and Services”?**



STRATEGY NUMBER ONE – MANAGING THE TECHNOLOGICAL CHANGE TO REMAIN FUTURE PROOF.

EVOLUTION

Efficient combustion engines
Innovative technologies

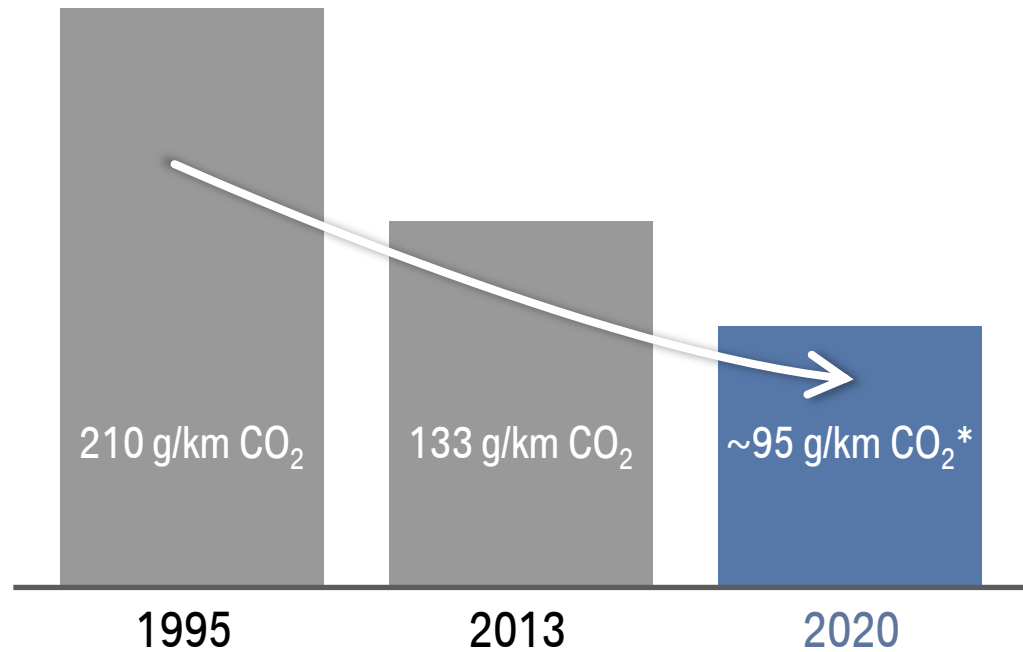
REVOLUTION

Alternative drive trains
Mobility services



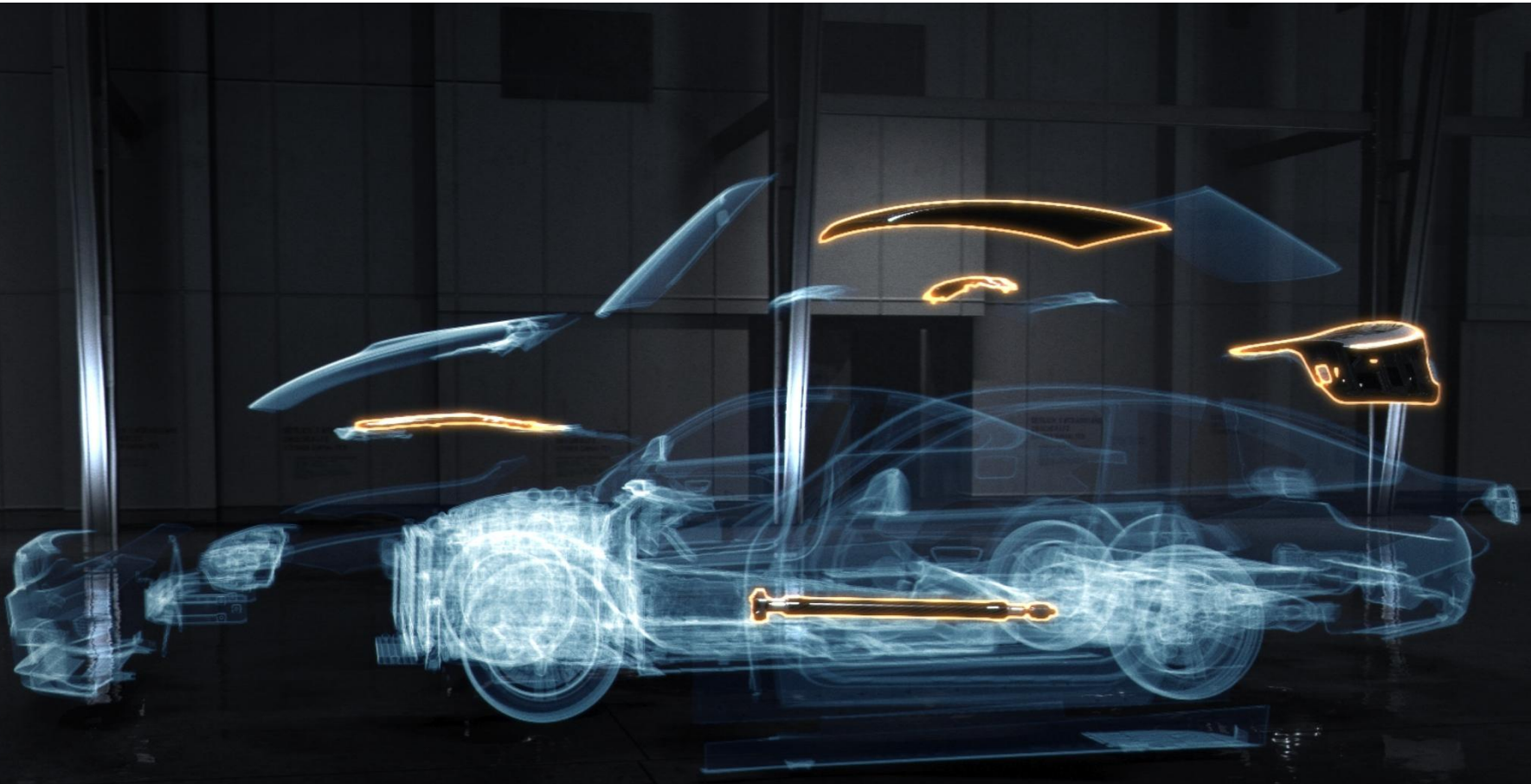
BMW GROUP - SUCCESS STORY EFFICIENT DYNAMICS.

Less consumption, more performance



* EU target limit

BMW GROUP - LEADING POSITION IN LIGHTWEIGHT CONSTRUCTION.

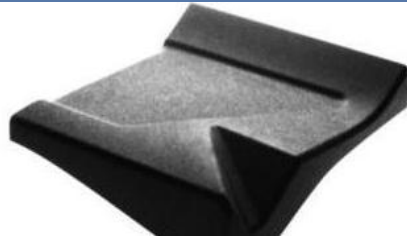


BMW i PRODUCT STRATEGY. REDEFINING THE AUTOMOTIVE VALUE CHAIN.

New Vehicle Concepts



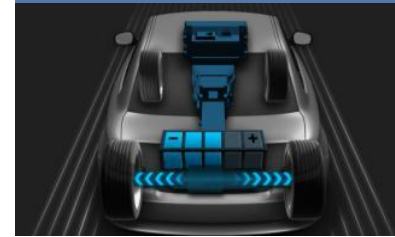
New Materials and Recycling



Production Concept of the Future



New Electric Drivetrain



INTEGRATED APPROACH OF BMW i

New Processes



Employees



Pioneering Design



New Customers



BMW i3 – HIGH CUSTOMER DEMAND.



MSRP starts at 34,950 EUR*

Weight (DIN) 1,195kg

Turning circle 9.86m

Output 170hp/250Nm

Battery capacity 22kWh

0-60km/h (37mph) in 3.7s

0-100km/h (62mph) in 7.2s

Top speed (cut-off) at 150km/h (93mph)

Charging times from < 30min at 50 kW fast charge to ~8h at domestic socket

Range up to 160km (100miles), up to 200km (124miles) in most efficient mode

THE NEW BMW i8 – THE MOST PROGRESSIVE SPORTS CAR OF THE WORLD.

MSRP starts at 126,000 EUR*

Weight (DIN) 1,485kg

Output 362hp/320Nm

0-100km/h (62mph) in 4.4s

Top speed (cut-off) 250km/h (155mph)

Electric driving range 37km (23miles)

Fuel consumption 2.1l/100km (112mpg)

49g CO₂/km



ENTRY INTO URBAN ELECTROMOBILITY. ELECTRIC SCOOTER – C EVOLUTION – LAUNCHED.



MSRP starts at 15,000 EUR*

Weight (DIN) 265kg

Output 48hp/72Nm

0-50km/h (31mph) in 2.7s

0-100km/h (62mph) in 6.2s

Top speed (cut-off) 120 km/h
(75mph)

Electric driving range 100 km
(62 miles)

Charging times from 3h fast charge
to ~4h at domestic socket

BMW GROUP MOBILITY SERVICES PORTFOLIO AIMING AT NEW CUSTOMER GROUPS.

Flexible Use

DriveNow

Alphacity



Parking

Park@myHouse

ParkNow



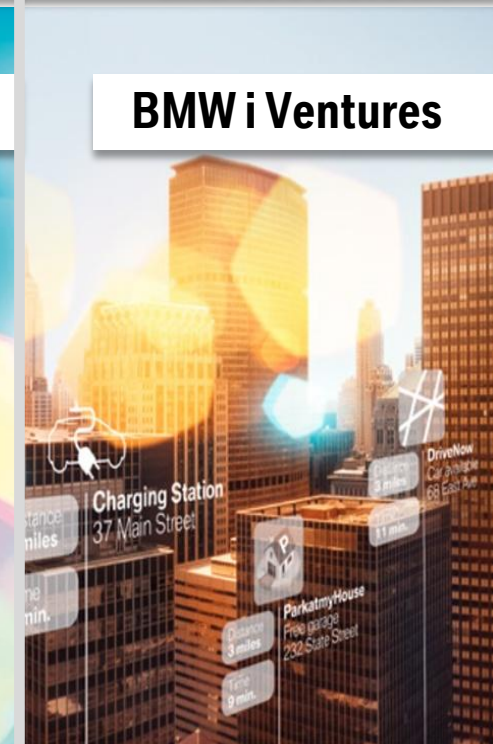
Information and intermodal routing

MyCityWay



Securing innovation and acceleration

BMW i Ventures



SUCCESS FACTOR CORPORATE SUSTAINABILITY. AGENDA.

How does our holistic approach of implementing sustainability along the entire value chain look like?

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**What is our management approach to ensure target achievement for
“Production and value chain”?**



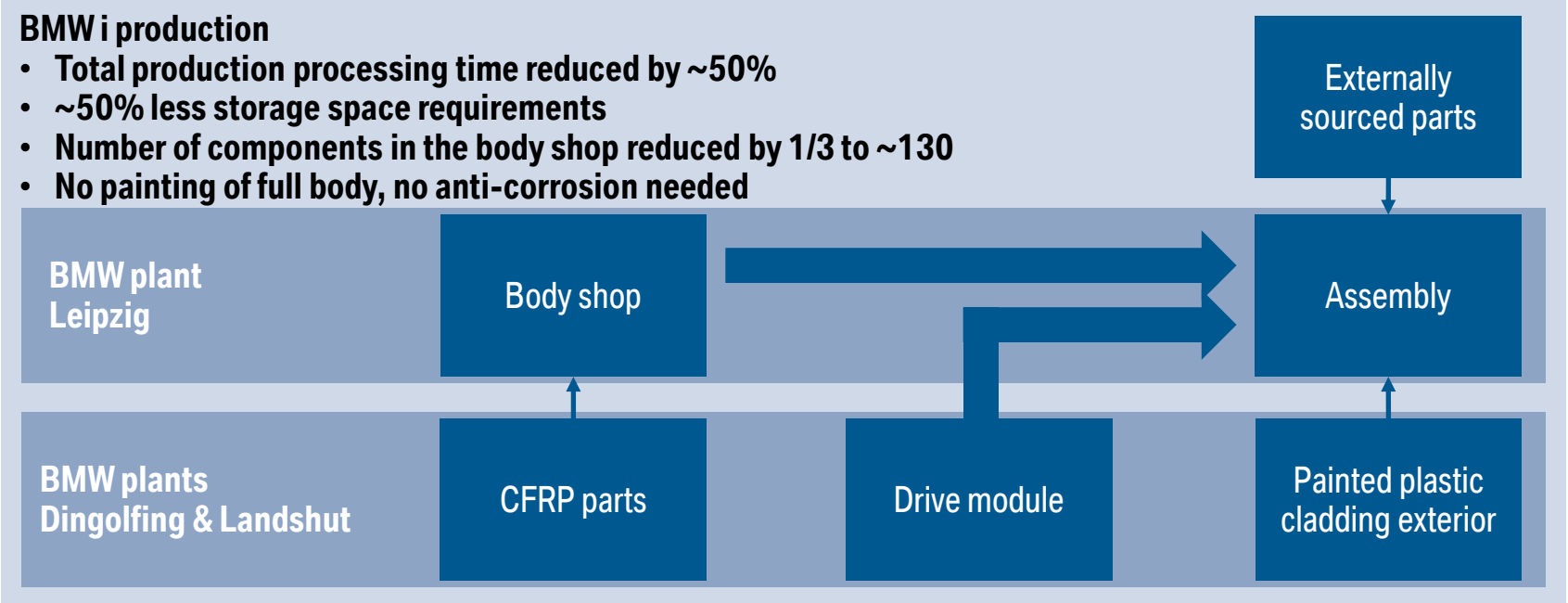
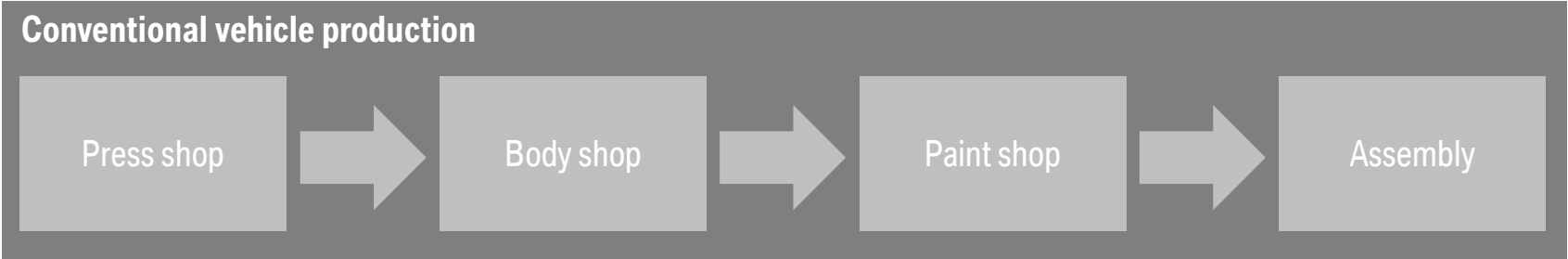
BMW GROUP - A LEADER IN SUSTAINABILITY.



Target: 45% reduction of resources per vehicle produced by 2020 compared to 2006.

Average improvement in resource efficiency from 2006 - 2013: 41%

NEW PRODUCTION CONCEPT FOR BMW I. NO PRESS SHOP NEEDED. PAINTING OF THE EXTERIOR PLASTIC PARTS ONLY.



THREE-STEP PROCESS TO MINIMISE RISK IN THE VALUE CHAIN.

1. Sustainability Risk Filter

Evaluating suppliers with regard to their environmental, social and governance risk potential with a proprietary sustainability risk filter

Media-monitoring to identify potential suppliers with location-specific and product-specific risks

2. Voluntary self-assessment questionnaire

Questionnaire to provide a self-evaluation of suppliers' sustainability management and related activities

In case of a deficit BMW develops a supplier-specific joint action plan for improvement based on the questionnaire

3. Sustainability Audits

Sustainability verifications and certifications carried out by external auditors

In case of non-compliance BMW develops a specific joint action plan for improvement based on the external audit

HUMAN RIGHTS AT THE BMW GROUP.



United Nations Global Compact

Gemeinsame Erklärung über Menschenrechte und Arbeitsbedingungen in der BMW Group

Präambel

Die fortschreitende Globalisierung der Waren- und Kapitalmärkte ermöglicht es transnationalen Konzernen, globale Produktions- und Vertriebsnetze zu schaffen. Mit diesem globalen Netzwerk geht auch eine soziale Verantwortung einher, die Grundprinzipien menschlichen Zusammenlebens und Arbeitens zu achten.

Die Konzernleitung sowie die nationalen und internationalen Arbeitnehmervertretungen bekennen sich zu ihrer sozialen Verantwortung und zu den Grundprinzipien des "Global Compact". Die BMW Group unterstützt diese Initiative der Vereinten Nationen und setzt sich dafür ein, die Vision einer nachhaltigen und homogenen Weltwirtschaft zu verwirklichen.

Auf Basis einer wertorientierten Unternehmensführung sollen die Chancen für den Unternehmens- und Beschäftigtenfortschritt genutzt werden und mögliche Risiken eingeschränkt werden. Dies ist letztlich auch für die internationale Wettbewerbsfähigkeit und damit für die Zukunftssicherung der BMW Group und ihrer Beschäftigten von Bedeutung.

Die Konzernleitung und die nationalen und internationalen Arbeitnehmervertretungen geben sich für die weltweite Geschäftstätigkeit der BMW Group nachfolgende Ziele und Durchführungsgrundsätze. Die Verwirklichung erfolgt unter Berücksichtigung der in den verschiedenen Ländern und Standorten geltenden Gesetze sowie in Anerkennung der unterschiedlichen Kulturen.

1. Ziele

Die nachfolgenden grundlegenden Ziele und Durchführungsgrundsätze orientieren sich an den Grundprinzipien der Internationalen Arbeitsorganisation (IAO) und berücksichtigen neben den nationalen Gesetzen insbesondere die IAO-Übereinkommen Nr. 29, 87, 98, 100, 105, 111, 138 und 192.

In der BMW Group werden die international anerkannten Menschenrechte respektiert.

1.1. Freie Wahl der Beschäftigung

Die Beschäftigung in der BMW Group ist frei gewählt. Zwangs- und Pflichtarbeit (einschließlich Schulzwangsarbeit oder unfreiwillige Häftlingsarbeit) nach der Definition der IAO-Übereinkommen Nr. 29 und 105 wird abgelehnt.

1.2. Keine Diskriminierung

Chancengleichheit und Gleichbehandlung, ungeschlechtlich von ethnischer Herkunft, Hautfarbe, Geschlecht, Religion, Staatsangehörigkeit, sozialer Zugehörigkeit, sexueller Orientierung, Alter und sonstiger Merkmale und sonstiger

Respect for human rights is firmly established in the BMW Group's strategy and culture.

- Member of the **UN Global Compact** since 2001 and joined the UNGC Lead Initiative in 2/12.
- Worldwide **"Joint Declaration on Human Rights and Working Conditions at the BMW Group"**.
- **Freedom of association is one of the core principles** in the joint Declaration on Human Rights and Working Conditions .
- **Human Rights Contact** and various other channels for possible issues.
- **Sustainability self-assessment questionnaire** asks our suppliers to comply with **the ILO Conventions 87 and 98**.

1. Freedom of association and collective bargaining



2. Elimination of forced or compulsory labour



3. Abolition of child labour



4. Elimination of discrimination

