

Sustainability. It can be done.



**Johannesburg World Summit
on Sustainable Development**

26 August – 4 September 2002

BMW Group



Content.



You are cordially invited to the BMW Group Sustainability Exhibition during the World Summit on Sustainable Development in Johannesburg, Sandton Square, 26 August – 4 September 2002.



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Foreword.



Many of you are big investors, employers and producers in dozens of different countries across the world. That power brings with it great opportunities – and great responsibilities. You can uphold human rights and decent labor and environmental standards directly by your own conduct of your own business.

Kofi Annan, UN Secretary General

As a globally active automobile manufacturer, the BMW Group assumes worldwide responsibility for the environment as well as for the community interests of employees and the society. The success of a modern enterprise can no longer be regarded solely from an economic point of view. This is why our commercial activities consistently follow the guidelines of sustainability.

For the BMW Group, meeting the highest environmental standards is an important aspect of production quality. All BMW Group manufacturing sites are certified according to international ISO 14001 standards for environmental management systems, some in addition validated in compliance with the European Eco-Management Audit Scheme (EMAS). The BMW Group is the first, and currently the only, automobile manufacturer to ensure that all of its production facilities comply with uniform international environmental standards, and furthermore to adapt this environmental management system to the respective production sites.

Along with the high environmental standards in production, the BMW Group approach to sustainability is reflected in the ecological optimization of the products and the objective of sustainable mobility. We are directly involved in the development of intelligent traffic management systems in metropolitan



areas as well as in alternative drive concepts. In the development of alternative drive concepts, the BMW Group focuses on CleanEnergy – hydrogen generated from renewable energy sources as a clean fuel for the future. Our hydrogen-powered cars have also been introduced in Johannesburg and the importance of generating, distributing, and utilizing hydrogen in automobiles has been made clear.

Employee orientation and commitment to society are other important aspects of the approach of the BMW Group to sustainability. Within the framework of the company's role as a corporate citizen, the BMW Group is directly involved in cross-cultural learning and social understanding. The company supports not only its employees and the communities at the different production sites, but extends its commitment beyond these borders to society on a global scale. In South Africa, for example, the BMW Group has set up a comprehensive network of social projects over the years. The focus is on educating schoolchildren, students, and teachers as well as on technology and science, sports, the environment, and community support.

Another focus for the BMW Group is on creating a dialogue with international political stakeholders as well as community members within the framework

of public-private partnerships. Along these lines, we support the Global Compact proposed by UN Secretary General Kofi Annan for a worldwide partnership between business and industry, governments, and globally active community representatives.

Ten years after the ratification of Agenda 21, the objective today is to further advance its implementation. The BMW Group hopes to make a significant contribution to this end. We look forward to a successful summit meeting in Johannesburg with concrete results that will contribute to the sustainable development of humankind.

Munich, August 2002

Dr. Norbert Reithofer, Member of the Board of Management of BMW AG, Production

Sustainability pays off.



Businesses have been among the main engines and primary beneficiaries of globalization. It is in their interest to do what they can to make globalization a sustainable process by ensuring that its benefits are spread more evenly.

Louise Fréchette, First Deputy Secretary-General of the United Nations

“As the worldwide industry leader in sustainability, our goal is to further increase our company’s value in respect to social, economic and ecological aspects.”

Stefan Krause, Member of the Board of Management of BMW AG, Finances



Companies that focus on sustainable management create the best conditions for future success. At the same time, a company’s sense of responsibility for society and the environment is increasingly becoming a standard for evaluating its success. BMW Group is a good example: the Dow Jones Sustainability World Indexes, the Dow Jones STOXX Sustainability Indexes and the FTSE4Good Europe Indexes, the most important sustainability indexes, list the company as one of the worldwide automotive industry leaders. Economic success for added sustainability assessments conducted by professional analysts show that the commercial success of a company is not only determined by economic figures such as sales, revenues, or profits.

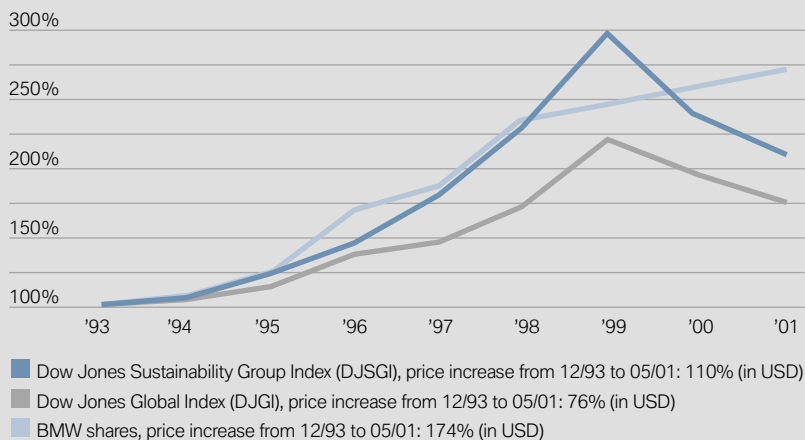
The success of a sustainability concept is also reflected in high product quality, customer satisfaction, employee motivation, and supplier support. It can also be seen in the development of a company’s workforce and in its share prices. In the past year alone, the BMW Group created nearly 5,000 new jobs (+5.1 percent). The share price of BMW increased by 13.8 percent in the same time period.



Investment in the future

Firmly imbedding sustainability into the corporate strategy helps minimize risk and secure the future of the BMW Group – today and tomorrow. Research & development conducted by the BMW Group has resulted in a technically advanced concept to ensure a future beyond the age of carbon-based energy sources. CleanEnergy is a long-term strategy based on hydrogen produced from renewable energy resources: a targeted investment in the future of sustainable mobility – and in the future of the BMW Group.

Development of the DJSI, DJI and BMW shares from December 1993 to May 2001



How to manage sustainability.



“Sustainable management is synonymous with management’s ability to achieve economic success while placing equal emphasis on environmental protection and social responsibility.”

Dr. Norbert Reithofer, Member of the Board of Management of BMW AG, Production

Designworks/USA, 2201 Corporate Center Drive, Newbury Park, CA, USA. This unique address is where the Designworks Sustainability Management System together with ISO 14001 was certified by TÜV North America (technical inspection associations) in November 2001 – delivering two first ever: First Environmental Management System certified worldwide in a Design company, and first Sustainability Management System ever certified by a third party – truly an example of how the BMW Group embraces the “cradle to cradle” principle. For the BMW Group, this move represents another significant milestone of a long-term development. Environmental Management Systems certified well above compliance with ISO 14001 and EMAS (European Union’s Eco-Management and Audit Scheme) standards have been in place at all BMW production facilities since 1999, then – and still today – unique in the international automotive industry. Today, at the beginning of the 21st century, the world economy is faced with a new challenge: sustainability.



From environmental management to sustainability management

The Designworks Sustainability Management System is based on the advanced environmental management approach of the BMW Group. It was developed to include the social and economic aspects and impacts of the business, and to manage

For too long, environmentalists and industrialists alike have seen a false trade-off between environmental protection and economic growth. We must introduce a new way of thinking – one that sees economic and environmental health as interlinked, mutually supportive goals.

Nitin Desai, Secretary-General of the Summit and Under-Secretary-General for Economic and Social Affairs, United Nations



them accordingly. The objectives take into account the needs of the workforce as well as the interests of other stakeholders, developed from an intense dialogue process. Furthermore, the principles of sustainability are carefully knitted into the various design proposals for the BMW Group as well as for other companies, delivering economic success based on environmental and socially responsible design – truly delivering on the Triple Bottom Line. Future plans call for all BMW Group Environmental Management Systems to be developed into Sustainability Management Systems. Responsibility for this important move is in the hands of a management task force that has a direct line to the company's executive board and will be supported by 70 specialists worldwide.

Integration of suppliers into the management systems

Suppliers are also fully integrated into the BMW Group management systems. They are required to comply with BMW Group Environmental Guidelines to meet the company's high environmental standards for the products as well as for the production operations worldwide. South Africa is a good example: after certification of the Integrated Quality, Safety & Health and Environmental Management System according to ISO 9001, BS 8800 and ISO 14001 – for the first time in the automobile industry

worldwide – at the Rosslyn plant in 1999, special workshops were held to familiarize suppliers with the latest international standards as well as legal requirements. From there an intensive coaching program was developed, covering all suppliers of BMW SA. This approach has proved to be a great success. To date 30 percent of the BMW Group supplier chain have an environmental management system in compliance with ISO 14001 standards, and if current commitments are met, 70 percent will be certified by the end of 2002.

Clean production for added sustainability.



“Sustainability is a corporate principle for the BMW Group. Our participation in the UN Cleaner Production environmental program represents a further step toward our consistent orientation to sustainability.”

Dr. Norbert Reithofer, Member of the Board of Management of BMW AG, Production

Efficient BMW Group management systems are a prerequisite for optimizing production oriented along social, ecological, and economic guidelines. The fact that these measures are successful has been confirmed by a large number of independent assessments. Rosslyn Plant, for example, was awarded Gold for outstanding product quality by the prestigious market research institute JD POWER & Associates in 2002 – testimony of how environmental, safety, and health measures can contribute to employee awareness and improved performance. The BMW plant in Munich received the same award in silver.

BMW Group signs UNEP's International Declaration on Cleaner Production

The signing of the United Nations Environment Programme's Declaration in 2001 confirms the dedication of the BMW Group to cleaner production. Instead of “end-of-pipe” solutions, BMW production is committed to avoiding negative environmental

impact from the very beginning. With this in mind, 6 percent of the company's annual investments in 2000 were earmarked for environmental protection programs. These investments are clearly worthwhile: CO₂ emissions from manufacturing operations were reduced by 15 percent per unit produced in the past 5 years. Energy consumption decreased by 20 percent and wastewater per unit was reduced by 16 percent.

Conserving natural resources: water

The BMW Group has also effectively reduced production-related water consumption by 15 percent over the past 5 years. Water re-circulation will further improve the savings potential. By e.g. modernizing the “water test booth”, where newly produced BMW vehicles are tested with state-of-the-art water-recycling equipment, as well as through a multitude of other water saving projects, water consumption at the Rosslyn plant has been reduced by 50 percent since 1998. In fact, fresh water is quite seldom really required for industrial processes. For example, the BMW plant in Landshut, Germany, already covers around 40 percent of its needs with high-level groundwater. Computer simulations used for new construction projects make it possible to create clear-cut plans to minimize the impact on the flow of groundwater and define effective water conservation measures.

Over the last twenty-five years, there has been a gradual conceptual shift in the way private sector approaches society's environmental concerns, from the reactive, end-of-pipe compliance approach of the 1970s, to a more public relations approach of the '80s, to the preventive, cleaner production, eco-efficiency approach of the 1990s.



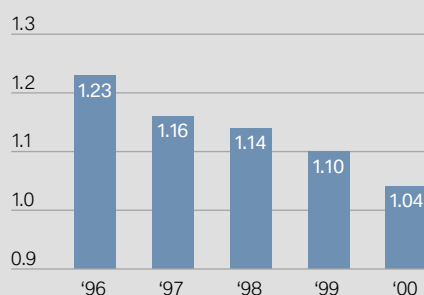
Jacqueline Aloisi de Larderel,
Assistant Executive Director UNEP, Director Division of Technology, Industry and Economics

New painting technologies

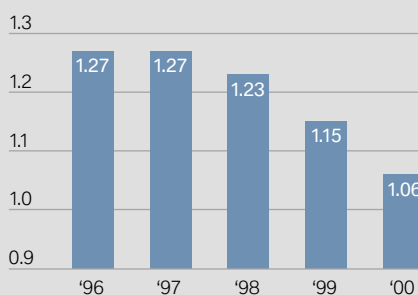
The use of powder clear coat and water-based paints is another example of how advanced technologies contribute to environmental protection. These innovative technologies have been consistently implemented by the BMW Group since 1997. In 5 years, the emission of volatile organic solvents has been reduced by nearly 30 percent.



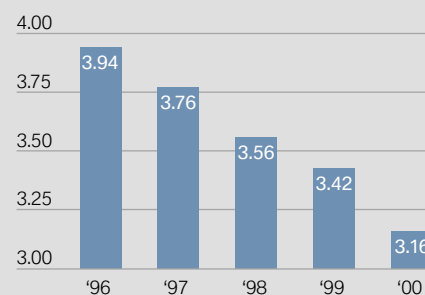
CO₂ emissions per unit produced in tons



Process water per unit produced in cubic meters



Energy consumed per unit produced in MWh



Premium: highest standards for sustainable products.



Although it is the role of governments to establish such incentives and regulatory structures, it is the role of the private sector to lead technological innovation, to invest in cleaner technology, to develop sustainable products, to develop sustainable management practices.

Jacqueline Aloisi de Larderel, Assistant Executive Director UNEP, Director Division of Technology, Industry and Economics



“For BMW Group engineers, sustainability has become the most important focus of product development.”

Dr. Burkhard Göschel, Member of the Board of Management of BMW AG, Development and Purchasing

The BMW Group sustainable mobility model is based on an environmentally oriented product development and an intelligent networking of various means of transport as well as the technical development of alternative drive concepts.

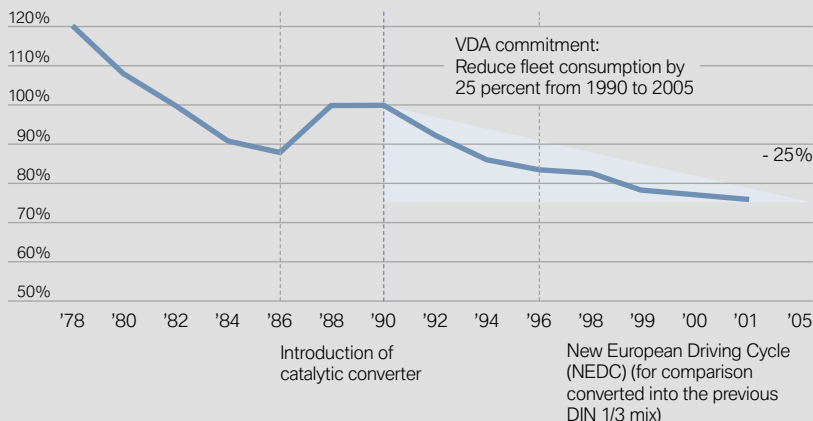
The demands on BMW Group automobiles are extensive. Along with the highest standards for safety, comfort and quality, they have to fulfill environmental and recycling requirements. To implement this, the BMW Group pursues a comprehensive approach. Based on advanced engine technologies and intelligent lightweight design, these requirements are integrated consistently into the product development. This supports the objective of sustainable products for all customers.

Reducing fleet fuel consumption – forward-looking technologies help protect the environment

The BMW Group uses advanced engine designs to reduce fleet fuel consumption and CO₂ emissions. VALVETRONIC, a new technology that controls intake valves electronically, reduces fuel consumption by around 10 percent based on EU norms. Common Rail direct injection improves fuel economy for diesel engines manufactured within the BMW Group.

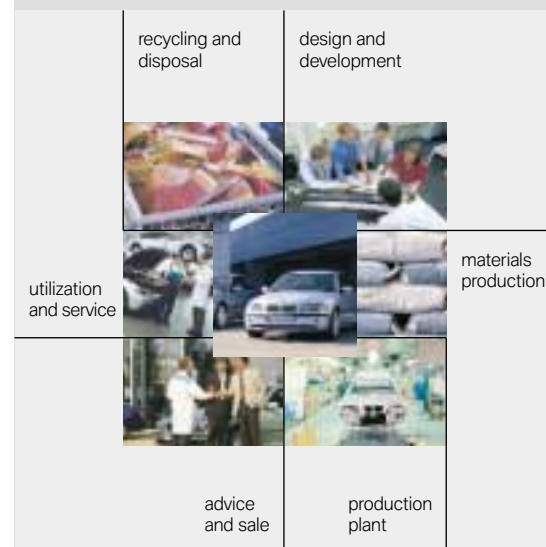
Beyond the advanced motor technology, intelligent lightweight design and innovative materials are the key technologies of the BMW Group for a sustainable product development. Reducing vehicle weight by 100 kg effectively saves up to 0.5 liters of fuel per 100 km. As a technology of the future, lightweight design focuses on a material mix. For example, light metals, carbon fiber-reinforced materials and plastics offer potentials to lower the weight of vehicles.

BMW fleet fuel consumption for new registered vehicles in Germany (DIN 1/3 mix, weighted according to number of vehicles)





Automotive life cycle



Environmentally oriented product development

The BMW Group follows the principles of Design for Recycling and Life Cycle Assessment (LCA) to integrate environmental and recycling requirements into the product development process.

Design for Recycling ensures that after its useful lifetime a BMW Group vehicle can be recycled simply and economically. To achieve this, recycling requirements are taken into account in the product development process. In this respect, the selection of materials is as important as the joining techniques and the construction of individual components.

Fundamental requirements for recycling-oriented designed vehicles are:

- Use of pure-grade and recyclable plastics
- Reduction of the variety of plastics
- Use of composite materials compatible in recycling
- Selection of suitable joining techniques
- Material labeling
- Use of secondary materials

The result: current BMW Group vehicles can be recycled economically and almost completely.

The environmental management tool Life Cycle Assessment (LCA) is more comprehensive. It evaluates the ecological impact of new component concepts and bodywork variants over their entire product life cycle. From the extraction of raw materi-

als and the manufacturing process to vehicle utilization and recycling all environmental impacts are analyzed. The aim is to identify among the development alternatives those which possess the greatest potential for increasing environmental compatibility throughout the entire life of the vehicle.

With BMW Technik GmbH, the Innovation and Technology Center, and the Recycling and Dismantling Center, the BMW Group operates specialized competence centers. This is an ideal environment enabling research and promoting a sustainable product development. Among the integration of the Research and Innovation Center, the design center of the BMW Group, this knowledge and experience flows directly into the product development process.

The sustainable mobility model of the BMW Group

- Products: Reduction of fleet fuel consumption and environmentally oriented product development
- Benefit: Intelligent mobility management
- Future: Development of alternative fuel concepts for series production

Mobility: a modern challenge.



The transport sector has an essential and positive role to play in economic and social development, and transportation needs will undoubtedly increase. However, since the transport sector is also a source of atmospheric emissions, there is need for a review of existing transport systems and for more effective design and management of traffic and transport systems.

Agenda 21

“As an automobile manufacturer, we are vitally interested in maintaining an efficient, inter-modal transport system in which road traffic plays a key role in the future. Supporting personal mobility, the transport of goods, and data communications should be regarded as a primary task for securing the future. Mobility promotes individual freedom, social interaction, and economic prosperity.”

Dr. Burkhard Göschel, Member of the Board of Management of BMW AG, Development and Purchasing

Efficient traffic systems worldwide are a key requirement for ensuring economic prosperity, quality of life, and social stability.

The BMW Group is directly involved in a number of research projects (www.mobinet.de) aimed at intelligent traffic management systems adapted to social and environmental norms. The company's own Institute for Mobility Research in Berlin (www.ifmo.de) makes significant contributions to fundamental scientific study in this area.

Networking different means of transport

The BMW Group research focuses on the intelligent networking of different means of transport. The objective is to exploit the strengths of each mode of transport, to use available space as efficiently as possible, and to reduce traffic volume. This results in less traffic congestion, and reduces environmental impact.

Developing solutions to traffic problems is a task commonly shared by government and industry. The BMW Group is involved in a variety of pilot projects in Germany's major cities. These projects are aimed at developing new approaches to efficient traffic control. In Munich, BMW cooperates with the local authorities and about 20 other partners to jointly create solutions for the local traffic problems.





Today's main project – MOBINET – implements innovative telematics applications and new mobility services designed to control local traffic. The focus in Berlin and Dresden is on improving Park & Ride services for more efficient organization of traffic in downtown metropolitan areas.

Personal mobility to and from work

Creative solutions for reducing personal traffic are also in demand within the BMW Group. To take one example of the global production network, an intelligently organized shuttle bus system with 300 vehicles is used by two-thirds of the 21,000 employees at the BMW plant in Dingolfing, Germany, to travel to and from work each day. The buses travel around 40,000 kilometers each day – that is equivalent to halfway around the world and back. A similar bus system is also in service at the BMW plant in Rosslyn, South Africa.

The sustainable mobility model of the BMW Group

- Products: reduction of fleet fuel consumption and environment-oriented product development
- Benefit: intelligent mobility management
- Future: development of alternative fuel concepts for series production

BMW CleanEnergy – powered by hydrogen.



“BMW CleanEnergy is our way of responding to the international question regarding the future of individual mobility. Our answer is not a car that consumes only 3 liters of fuel per 100 kilometers. Our solution is the zero-liter car. One that does not require gasoline or diesel fuel: a hydrogen powered car with clean emissions.”

Dr. Helmut Panke, Chairman of the Board of Management of BMW AG

Fossil fuel resources are finite in the long term. Burning these fuels has a negative impact on the environment, especially by increasing the CO₂ emission. Today, there is an alternative: as the fuel of the future, hydrogen generated from renewable energy sources can help resolve global environment problems.

Since the seventies, the BMW Group has put major research efforts into the development of hydrogen powered vehicles. As part of the BMW CleanEnergy project presented in 1999, 15 hydrogen powered BMW 750hL cars have successfully completed over 170,000 kilometers on public roads in every-day use. The tanks in these vehicles are filled with liquid hydrogen cooled to minus 253° C.

Series production planned

The near-series study BMW 745h is equipped with a dynamic internal combustion engine that can be operated either in a gasoline or hydrogen mode – a precondition to implement such technologies into the market as long as a hydrogen infrastructure is not completed. Within the next few years, BMW plans to start series production of a hydrogen powered 7-series car. The MINI Cooper Hydrogen package study gives the perspective: hydrogen can also be used to power compact cars.

We believe that hydrogen is extraordinarily promising.

Prof. Klaus Töpfer, Executive Director, UNEP



Developing strategic partnerships

The BMW Group is dependent on strong partnerships for the implementation of the BMW CleanEnergy project. Establishing an infrastructure for liquid hydrogen is only possible in conjunction with other companies backed by government policymakers. The BMW CleanEnergy World Tour presented in major cities around the world successfully promoted the concept of the BMW Group of “mobility based on renewable energy.” The World Tour 2002 also visits the Johannesburg World Summit on Sustainable Development from 26 August to 4 September 2002.

Within the framework of the initiative Transport Energy Strategy (TES), automobile manufacturers are working together with the mineral oil industry, the energy industry and the German federal government to develop an initial strategy for producing and distributing hydrogen and to disseminate the initiative throughout Europe.

The sustainable mobility model of the BMW Group

- Products: reduction of fleet fuel consumption and environment-oriented product development
- Benefit: intelligent mobility management
- Future: development of alternative fuel concepts for series production



Shaping social sustainability.



I call on you – individually through your firms, and collectively through your business associations – to embrace, support, and enact a set of core values in the areas of human rights, labor standards, and environmental practices.

Kofi Annan, UN Secretary General

“Global networking is still the best way to promote worldwide growth and prosperity. It offers opportunities for industrial nations as well as for rapidly developing and third-world countries.”

Dr. Helmut Panke, Chairman of the Board of Management of BMW AG

As a global corporation, the BMW Group plays an important role in implementing sustainable development and is engaged in the related political processes. Working together with 400 international companies, the BMW Group supports, for example, the Global Compact introduced by UN Secretary General Kofi Annan. The BMW Group is committed to ensuring that its worldwide business activities comply with UN guidelines and sustainable development principles. For the BMW Group, this implies respecting human rights and upholding social and ecological standards.

Global responsibility

The World Summit on Sustainable Development in Johannesburg is an important platform for the BMW Group to take part in the international discussion on sustainability. The BMW Group was actively involved in the preparatory phase of the world summit, for example through its presence at the Mobility Forum of the UN Environment Program (UNEP). The BMW Group initiated, organized, and mediated the resulting Global Sustainability Report for the Automotive Industry. This report will be officially included in the political decision-making process in Johannesburg.





International dialogue

A mutual understanding and close cooperation between business and industry, the society, associates, customers, and government policymakers are essential for long-term stability and economic success. With this in mind, the BMW Group supports international dialogue, for example through the Herbert Quandt Foundation. This organization offers high-ranking experts from around the world the opportunity to exchange knowledge and experience. The most recent discussion forum was the Munich Economic Summit, where around 100 top-ranking representatives from 19 countries in Europe, America, and Asia came to Munich to discuss future European developments. Another example is the 3rd U.S.-German State Leadership Forum, held in 2001 in San Francisco, USA, about "Screening the Environmental Component of the Global Compact: Transatlantic Efforts and Goals" with highly acclaimed participants from government, research, and industry.

The BMW Group also actively supports the sustainability dialogue on a national level. As a charter member of "econsense," a sustainability forum initiated by the German industry, the BMW Group works together with other leading companies in Germany on the development of industry-wide ecological and social solutions.

Principles of BMW Group personnel and social policy

- 1 Mutual respect – a positive culture of conflict
- 2 Thinking beyond national and cultural boundaries
- 3 The performance of our employees is the basis for remuneration
- 4 Team performance is more than the sum of individual contributions
- 5 Secure and attractive jobs for committed and responsible employees
- 6 Respect for human rights is a given
- 7 Social standards for suppliers and business partners are the basis for doing business
- 8 Outstanding benefits for employees and a strong commitment to society

The BMW Group also refers to the principal documents of the ILO (International Labour Organisation), the OECD (Organisation for Economic Cooperation and Development) and the UN Global Compact concerning social standards.

Human values for sustainable partnerships.

We need decent work for all workers, women and men, formal and informal, waged and self-employed. They all need work where basic rights are respected, people are protected and represented, and where economic and social efficiency are pursued hand in hand. That's the real development goal.

Juan Somavia, Director General of the International Labour Organization (ILO)



“An employee’s motivation to perform effectively, be creative, and enjoy working are key factors in a company’s sustainability. That’s why the BMW Group sets high personnel policy standards.”

Ernst Baumann, Member of the Board of Management of BMW AG, Human Resources and Industrial Relations Director

Employees are the key to the success of a company. Since 1983, the BMW Group has adopted the principle of a value-oriented human resources policy. On the basis of this policy the BMW Group establishes overall conditions conducive to an atmosphere of trust, mutual respect, fairness, creativity and willingness to learn.

Employee-oriented management

The BMW Group implements sustainable personnel policies by e.g. using models that enable employees to share in the company’s success. This, amongst other things, entails empowering co-workers through the assignment of greater individual and team responsibility.

Working in teams, BMW Group employees are involved in decision-making processes, and in this way their own knowledge and experience are put to concrete use.

Regularly conducted and standardized surveys provide insight into the success of personnel management within the BMW Group and show where improvements can be made.



Balance between work and leisure

A progressive personnel policy makes it easier for individuals to plan their life. At the BMW Group, work-life balance means that, above all, the job must be delivered on time and meet the company's premium quality standards, while taking into account the employees personal interest and situation. BMW Group employee's work on flextime schedules. Altogether, the company has over 300 different work schedule agreements. This enables the BMW Group to respond promptly to market fluctuations – an important factor when it comes to profitability and job security.

The social security benefits available to BMW Group employees are wide-ranging. In South Africa, these benefits include, e.g., pension plans, health and accident insurance, medical care, and interest assistance for first-time home owners.

Challenge: HIV/AIDS

AIDS is one of the biggest challenges for the development of Africa. Around 30 percent of the population suffers from the disease. Each year, an average of 1 in 10 Africans becomes infected with HIV.

The BMW Group is committed to fighting HIV/AIDS in South Africa. The goal is to help people who are infected and to minimize the social and economic impact of the disease. Prevention through education and information programs is one of the most important aspects. Assistance available to employees and their families includes voluntary, free HIV testing, counseling and full medical benefit coverage in the event of an employee testing positive. Employees who are afflicted with HIV/AIDS are guaranteed the same employment rights as other workers.

Tailored training.



“What makes a company successful? The people who work there make all the difference. Through their skills and performance, our employees contribute directly to the success of the BMW Group.”

Ernst Baumann, Member of the Board of Management of BMW AG, Human Resources and Industrial Relations Director

From automotive technology and project management to personality training, the BMW Group offers a full range of educational programs that are continuously tailored to the needs of the workforce.

The BMW Group invested nearly €160 million in education and training in 2001 with over 89,000 employees worldwide participating in BMW Group training programs. In South Africa, over 4,700 people – including managers, skilled workers, and external BMW dealership personnel – took part in internal training sessions in 2001.

Knowledge as a resource

An active “knowledge culture” is another important success factor for the BMW Group. As one of the most essential resources of the future, knowledge must be permanently integrated into business processes. Effective knowledge management at the BMW Group means passing on information and using it collectively. This approach is promoted by the networking of all BMW Group facilities and job rotation. The Trainee-Exchange program is a good example. More than 400 trainees have been qualified and worked in the UK and Germany since 1996.

It has been increasingly recognized that people's endowment of skills and capabilities, and investment in education and training, constitute the key to economic and social development. Skills and training increase productivity and incomes, and facilitate everybody's participation in economic and social life.

"Learning and Training for Work in the Knowledge Society," ILO-Report IV (1), 2002



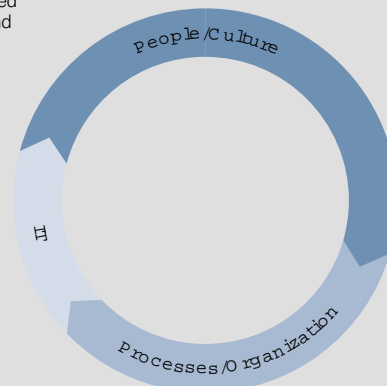
Experiencing equality

Educational programs sponsored by the BMW Group in South Africa are based on the guidelines of the National Skills Authority. The focus on Adult Basic Education and Shop Floor Training is intended to help improve the basic skills of formerly underprivileged social groups. The BMW Group is also committed to equal opportunity in its hiring practices. The composition of salaried employees – grouped according to Africans, other races, Asians, women, and men – is gradually being brought in line with the guidelines of the Employment Equity Act.

Basic questions of knowledge management

Is user orientation assured
(interface between IT and
user)?

To what extent does the corporate culture promote the sharing of knowledge and the use of knowledge of others?



Is knowledge management integrated into the existing business processes, or is it regarded as "extra" work?

Source: BMW Group

Sustainable health protection.



Safe work creates no obstacles to being competitive and successful. In fact, no country – and no company in the long run – has been able to jump to a high level of productivity without making sure that the work environment is safe.

Global Employment Agenda, ILO, 2002

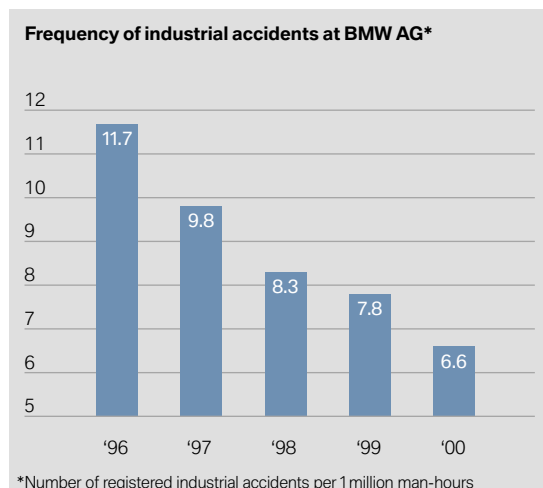
“Health and work safety are integral parts of the long-term BMW Group personnel policy. The focus is on effective, early prevention in all relevant corporate processes.”

Manfred Schoch, Chairman of the Euro Committee and Works Council of BMW AG

Health and physical well-being are primary requirements for developing an employee's job performance. Protecting and supporting personal health is the primary goal preventive health and work safety program of the BMW Group.

The health and work safety program of the BMW Group operates on three levels:

- Guidelines for health protection and work safety
- Promotion of personal responsibility on the part of employees and plant managers
- Safe organizational structures and working environments



High standards of safety

Both the company and its employees are tasked with promoting safety on the job. This approach has been successful at the BMW Group as demonstrated by the fact that, e.g., in Germany the number of work-related accidents decreased over the past 10 years by about 50%, which is one of the lowest in the automotive industry. Safety standards exceed legal requirements in many cases. In 1999, an integrated safety, health, environmental and quality management system was implemented at the BMW Group Rosslyn plant in South Africa. This system is based on the British Standard BS 8800 Guideline for Safety



and Health, the ISO 14001 Environmental Management Standard, and the ISO 9001 Quality Management Standard. As an integrated system, this is a world's first in the automotive industry. The BMW Group Rosslyn has one of the lowest injury figures within the South African automotive industry, as well as within the BMW Group.

Rigorous controls

The labor and environmental protection committee and the labor and health care committee share responsibility for controlling and auditing BMW Group plants. These committees define the targets and programs for health protection and safety and monitor their implementation and effectiveness.

Health standards: from prevention to rehabilitation

Prevention is the main focus of the health protection of the BMW Group. Along with comprehensive sports and recreation programs, the BMW Group plant in Munich operates its own fitness center. Other services in Munich include a doctor's office, a rehabilitation center, mental health services, and substance abuse programs. Similar facilities are in place at other BMW Group plants around the world.



Commitment to society.



“Within the BMW Group, we practice a philosophy that successfully unites multinational tolerance with equal opportunity and respect for human dignity. We strive for fairness on and off the job.”

Dr. Helmut Panke, Chairman of the Board of Management of BMW AG

The social and political involvement of the BMW Group has represented both an opportunity and a commitment for many years. As a globally active company, BMW stands behind its community responsibility for manufacturing plants and subsidiaries worldwide – from Russia to South Africa, and from Germany to the USA. A company's success depends on the social environment. On the other hand, citizens expect the company to be trustworthy and actively strengthen the local community. As a corporate citizen the BMW Group takes on worldwide social responsibility not only through programs especially adapted to local situations, but also through projects which extend beyond the scope of the company itself. One example is the international project “Leave me alone!”, a CD-ROM and Internet site aimed at preventing all forms of violence among, and against, young people.

Training today's needs and future talent

The BMW Group cooperates in many ways with educational facilities throughout the world. Projects, donations, lectures, internal and external trainings are some examples. The US plant in Spartanburg, e.g., co-operates, amongst others, with the Spartanburg Technical College and Greenville Technical College. The colleges provide modern educational training, according to the needs of the associates of the BMW Group. Students, on the other hand, can develop their skills in projects supported by the Spartanburg plant or in internships.

None of us is born intolerant of those who differ from us. Intolerance is taught and can be untaught – though often with great difficulty. But in this area, as in others, prevention is far preferable to cure. We must work to prevent intolerance from taking hold in the next generation. We must build on the open-mindedness of young people, and ensure that their minds remain open.

Kofi Annan, UN Secretary General



Commitment to understanding

The BMW Group employs people from over 90 different nations. “Thinking beyond national and cultural borders” is a company tradition. For over 20 years, the BMW Group has been working with some of the world’s leading institutions on projects to promote social understanding. The LIFE Concept, a series of educational publications for intercultural learning, is one example of the many current projects worldwide. The BMW Group Award for Intercultural Learning is presented each year to international applicants for exemplary projects in this field.



Corporate citizenship in South Africa.

Africa has reached a critical turning point in its history. After an era of decolonization and a period characterized by civil wars, military rule and economic stagnation, a third wave is beginning in Africa – one of peace, democracy, human rights, and sustainable development. This is indeed an opportune time for us and our partners to coordinate and harmonize our programs, mobilize support for the development of Africa, and increase aid effectiveness.

Kofi Annan, UN Secretary General

“We come from a history riddled with inequality caused by apartheid policies. As a responsible corporate citizen, BMW could not, on entering the South African market, ignore this situation.”

Ian Robertson, Managing Director, BMW South Africa



The BMW Group has been active in South Africa for 30 years. Today, the Rosslyn plant is one of the company's most modern production facilities. This tradition-rich presence in South Africa is accompanied by a huge social responsibility to employees and their families, and to society. With this in mind, the BMW Group joined government representatives in initiating a Social Responsibility Desk. The company entered into partnerships with the local communities where most of the Rosslyn plant employees live. The focus is on increasing the level of education – which is also a primary objective of the South African government.

The Corporate Social Investment Program of the BMW Group

Current activities:

- Education
- Technology
- HIV/AIDS awareness, prevention and treatment
- Sport
- Environment
- Local community development

Youth perspectives

The BMW Group has been directly involved in organizing school projects in South Africa since 1976.



The Schools Environmental Education Development Project (SEED) has been the most successful to date: South African children in over 60 schools are taught environmental awareness and encouraged to actively participate in community life. The BMW Group plans to implement this award-winning project nationwide.

With the Shoshanguve School Recycling Project, the BMW Group has extended youth services work to nearly 50 other schools located near the Rosslyn plant. The students participate in projects focusing on collecting, separating, and recycling discarded materials. They also learn about water conservation and grow vegetables on the school grounds. The harvested vegetables are distributed among the schoolchildren or sold at market to help buy educational materials.

Creating new structures

Following a suggestion from Nelson Mandela, the BMW Group invested around 5 million Rand in building a school and a clinic in Ndonga, a remote village in the Eastern Cape province. The facilities in the new school building include a computer room and a library. The clinic provides basic medical services including family planning.

Sustainable Technology and Science Education

The BMW Science Program supports the upgrading of teachers' and students' skills. The science equipment provided to schools under this program is intended to address issues related to access and equity in science, mathematics, and technology education for children whose language of instruction in these subjects is not their mother tongue. The use of the equipment in the classroom ensures that all learning modes – visual, audio, motor, and sensory – of the learner are catered to.

Sustainability. It can be done. BMW Group sites.





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