

## 1. Reduce – and only after that, compensate

The BMW Group aims to consistently reduce direct and indirect CO<sub>2</sub> emissions from its plants and sites by implementing effective measures. Between 2006 and 2019, these measures enabled us to successfully reduce Scope 1 and 2 CO<sub>2</sub> emissions within our own production network by an average of 70% per car produced. By 2030, we aim to cut the remaining Scope 1 and 2 CO<sub>2</sub> emissions from our plants and sites further, by another 80% per car compared with 2019. Our CO<sub>2</sub> reduction targets comply with the goals of the Paris Climate Agreement and have been validated by the Science-Based Target Initiative, SBTi (see [Companies Taking Action – Science-Based Targets](#)). The measures we have introduced have already put us on course for 1.5°C impact for our own production emissions per vehicle.

Since 2021, we have been offsetting the Scope 1 and 2 emissions that we have not yet been able to avoid with voluntary compensation certificates, making us net carbon neutral. We are also compensating for the CO<sub>2</sub> emissions from our business travel.

At present, however, the BMW Group is not compensating for CO<sub>2</sub> emissions from the supply chain or from the usage phase of cars – for Scope 3 emissions, in other words. To tackle emissions from suppliers, we have established measures to reduce CO<sub>2</sub> output and increase the use of secondary materials and green energy as criteria in our contracts. For more on this, click [here](#). Meanwhile, CO<sub>2</sub> emissions from the usage phase of our vehicles are steadily falling as electrification increases.

## 2. Discerning quality standards for carbon offset measures

The BMW Group has discerning standards around the quality and effectiveness of CO<sub>2</sub> certificates. We work with the Gold Standard, in combination at the moment with the soon-to-expire United Nations CDM ([Clean Development Mechanism](#) of the UNFCCC).

One of the advantages we see in the CDM is that with projects for the international transition from Kyoto Protocol regulations to the Paris Climate Agreement, the risk of double-counting is lower than projects that are exclusively registered under standards in the voluntary market. The projects are already known to the governments of host countries and Germany, and are recognised as additional and effective by both, with each giving individual approval. This means they meet the commitment by the signatory states of the Paris Agreement to avoid, by mutual agreement, double-counting emissions reductions in these projects.

To identify effective projects, however, we want to go beyond pure carbon offset certificates and their associated guarantees of additionality and permanence. For this reason, we are looking for partners – ideally local partners – to gauge the impact of measures and publish their findings in an annual report. Their account should show not just that the right amount of CO<sub>2</sub> is being saved but also that the projects are benefiting local people as well (i.e. co-benefits of the [UN Sustainable Development Goals](#), SDGs).