

# Communication on Progress of the BMW Group 2006

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Rolls-Royce  
Motor Cars Limited

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**BMW Group**

# Gobal Compact Principles and Sustainability Links of the BMW Group

## Human Rights

Principles Global Compact	Source of Information of the BMW Group
<b>Principle 1</b>	
Businesses should support and respect the protection of internationally proclaimed human rights	Human rights and working conditions in the BMW Group Joint declaration of the Group Management and the organisations representing workers' interests (PDF, 95 KB).  Sustainable Value Report 2005/2006: Putting sustainability into practice, Chapter 1, p. 11–12  Human Resources Policy 8 Guidelines of the BMW Group (PDF, 106 KB).
<b>Principle 2</b>	
Businesses should ensure that their own operations are not complicit in human rights abuses	Human rights and working conditions in the BMW Group Joint declaration of the Group Management and the organisations representing workers' interests (PDF, 95 KB).  Sustainable Value Report 2005/2006: Putting sustainability into practice, Chapter 1, p. 11–12  Human Resources Policy 8 Guidelines of the BMW Group (PDF, 106 KB).

## Labour

Principles Global Compact	Source of Information of the BMW Group
<b>Principle 3</b>	
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human rights and working conditions in the BMW Group Joint declaration of the Group Management and the organisations representing workers' interests (PDF, 95 KB).  Sustainable Value Report 2005/2006: Putting sustainability into practice, Chapter 1, p. 11–12
<b>Principle 4</b>	
Businesses should uphold the elimination of all forms of forced and compulsory labour	Long-term personnel policy and social policy of the BMW Group ALex Current Factbook article (PDF, 387 KB).
<b>Principle 5</b>	
Businesses should uphold the effective abolition of child labour	Human rights and working conditions in the BMW Group Joint declaration of the Group Management and the organisations representing workers' interests (PDF, 95 KB).  Sustainable Value Report 2005/2006: Putting sustainability into practice, Chapter 1, p. 11–12
<b>Principle 6</b>	
Businesses should eliminate discrimination in respect of employment and occupation	Human rights and working conditions in the BMW Group Joint declaration of the Group Management and the organisations representing workers' interests (PDF, 95 KB).  Sustainable Value Report 2005/2006: Putting sustainability into practice, Chapter 1, p. 11–12

## Environment

Principles Global Compact	Source of Information of the BMW Group
<b>Principle 7</b>	
Businesses should support a precautionary approach to environmental challenges	Sustainable Value Report 2005/2006, Our understanding of sustainability, p. 10–12  Sustainable Value Report 2005/2006, Hydrogen – fuel of the future, p. 28–33  The BMW Group's energy strategy ALex Current Factbook article (PDF, 2.3 MB).  Sustainable Value Report 2005/2006, Concrete example: From the drawing board to the road, p. 34–40  Environmental guidelines: Responsibility for our Environment (PDF, 109 KB).

Principles Global Compact	Source of Information of the BMW Group
<b>Principle 8</b>	
Businesses should undertake initiatives to promote greater environmental responsibility	<p>Sustainable Value Report 2005/2006, Assuming product responsibility, p. 19 – 33</p> <p>Sustainable Value Report 2005/2006, Chapter 3: Uniform standards in the production network, p. 41 – 54</p> <p>Environmental guidelines: Responsibility for our Environment (PDF, 109 KB).</p>
<b>Principle 9</b>	
Businesses should encourage the development and diffusion of environmentally friendly technologies	<p>Sustainable Value Report 2005/2006, Assuming product responsibility, p. 19 – 34</p> <p>Sustainable Value Report 2005/2006, High standards for suppliers and logistics, p. 50 – 54</p> <p>Environmental guidelines: Responsibility for our Environment (PDF, 109 KB).</p>

## Corruption

Principles Global Compact	Source of Information of the BMW Group
<b>Principle 10</b>	
Businesses should work against corruption in all its forms, including extortion and bribery	Sustainable Value Report 2005/2006: Putting sustainability into practice, Chapter 1, p. 11 – 12

# Guidelines of the Global Reporting Initiatives (GRI) and Global Compact Principles

## Vision, Profile, Governance

Vision and strategy	Data on the BMW Group in the SVR 2005/2006	Principles GC
1.1. Statement of the organisation's vision and strategy regarding its contribution to sustainable development	Sustainable Value Report 2005/2006, p. 8ff.	1, 8
1.2. Statement from the CEO (or equivalent senior manager) describing key elements of the report	Sustainable Value Report 2005/2006, Preface Dr. Helmut Panke, p. 4	8, 9
<b>Organisational Profile**</b>		
<b>Report Scope**</b>		
<b>Report Profile**</b>		
<b>Structure and Governance**</b>		
<b>Stakeholder Engagement**</b>		
<b>Overarching Policies and Management Systems**</b>		
3.13. Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Sustainable Value Report 2005/2006, p. 11ff.	7
3.20. Status of certification pertaining to economic, environmental, and social management systems	Production plants to the BMW Group certified to DIN EN ISO 14001 for environmental management systems since 1999. Sustainable Value Report 2005/2006, p. 44  Health and safety management systems in accordance with OHRIS and OHSAS at several plants, Sustainable Value Report 2005/2006, p. 43	9

## Economic Performances\*\*

Vision and strategy	Data on the BMW Group in the SVR 2005/2006	Principles GC

## Social Performances

Vision and strategy	Data on the BMW Group in the SVR 2005/2006	Principles GC
<b>Labour practices and decent work</b>		
<b>Employment</b>		
Breakdown of workforce by type of employment (part time, temporary work) and country (LA1)*	Figures for BMW AG (2000–2004) and BMW Group (2000–2004) as a whole broken down according to part-time employment, apprentices, gender in Chapter 4, p. 36, 68  No breakdown by country available as data in this specification have been incomplete so far.	
Average fluctuation and net change in employment broken down by region or country (LA2)	Development of the workforce of the BMW Group as a whole (2000–2004) in Chapter 4, p. 60  Fluctuation rate only for Germany in Chapter 4, p. 64  No breakdown by country available as corresponding data have not been collected centrally so far.	

\* GRI's official designation of indicators

\*\* Partially or no matches with GC principles. For detailed information, please see: [www.bmwgroup.com/gri](http://www.bmwgroup.com/gri)

Vision and strategy	Data on the BMW Group in the SVR 2005/2006	Principles GC
<b>Relations between labour and management</b>		
Percentage of employees represented by an independent trade union or covered by collective bargaining agreements, broken down by country [in %] (LA3)	<p>Some of these data are not available. In Germany, for example, the collection of data to determine the percentage of employees who are trade union members is not permitted.</p> <p>Freedom of association is guaranteed. The extent to which employees make use of this possibility varies from location to location.</p>	<b>3</b>
Policy and procedures involving information, consultation and negotiation with employees over structural changes (LA4)	<p>Human resources and social policy guidelines in Chapter 4, p. 60f.</p> <p>Associate and leadership model as well as general information on human resources policy in Chapter 4, p. 60 – 69</p> <p>Cooperation with the works council and regular employees' meetings</p>	<b>3</b>
<b>Health and safety</b>		
Practices on recording and notification of occupational accidents and diseases, and how they compare with the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases (LA5)	Data are collected at all locations in accordance with the respective national laws.	
Formal joint safety and health committee comprising representatives of the workforce and management (and % of the workforce thus represented) (LA6)	<p>Health committee members are representatives of the following: safety at work, health, company catering, human resources, training centres, sports and leisure department, disabled employees, works council and company health insurance fund</p> <p>The committee's activities are of relevance to the entire workforce of BMW AG.</p>	
Lost days/absentee rates due to injuries caused by occupational accidents and work-related fatalities (LA7)	<p>Accident frequency and sickness rate shown only for BMW AG in Chapter 4, p. 67</p> <p>BMW AG in 2004: Fatal accidents at work: 0; Fatal accidents on the way to or from work: 6</p>	
Description of company policy/social programmes on HIV/AIDS (LA8)	<p>Campaigns against HIV/AIDS at the Rosslyn plant mentioned in Chapter 5, p. 73 – 85</p> <p>A multi-functional community centre near the Rosslyn plant is described in detail in Chapter 5, p. 84.</p>	
<b>Training and education</b>		
Average hours of training/education per year per employee (by category of employee) (LA9)	<p>The range of training/education is discussed in detail and quantified (participant-days) in Chapter 4. No breakdown by category of employee, p. 64f.</p> <p>Investment in training and education (2000 – 2004) in Chapter 4, p. 65</p>	
<b>Diversity and opportunity</b>		
Equal opportunity programmes (incl. monitoring und addressing sexual harassment) (LA10)	Mentoring programme for female management staff in Chapter 4, p. 63	<b>6</b>
	Policy for employees with disabilities in Chapter 4, p. 65f.	<b>6</b>
	Support of various programmes to promote suppliers (small- and medium-sized suppliers and minorities) worldwide in Chapter 3, p. 50f., p. 54	<b>6</b>
	Workshops for the disabled as suppliers in Germany in Chapter 4, p. 65	<b>6</b>
	Equal opportunities are anchored firmly in the long-term human resources policy guidelines. The individual locations are responsible for observing these guidelines. Head office enquires whether any unlawful cases have occurred.	<b>6</b>
Proportion of female/male employees in management and executive positions (LA11)	Data are available only for BMW AG. Data cannot be compiled for the entire BMW Group because the various management levels are defined differently at the international locations.	<b>6</b>

Vision and strategy	Data on the BMW Group in the SVR 2005/2006	Principles GC
<b>Human rights</b>		
<b>Strategy and management</b>		
Human rights guidelines, structures and programmes (incl. monitoring mechanisms), and how they compare with international standards (Universal Declaration of Human Rights/ILO Convention) (HR1)*	The BMW Group is committed to the agreements of the International Labour Organisation (ILO) and the Organisation for Economic Cooperation and Development (OECD), p. 12, 50, 60f.	1–6
	Declaration on the binding observation of human rights and labour rights in the BMW Group worldwide, see Chapters 1 and 4, p. 11, 19, 60	1–6
	Social standards and working conditions take account of the principles of the Global Compact as regards standards at the workplace, see Chapters 3 und 4, p. 50f., 60	1–6
	Surveys have been conducted on this subject at the individual locations. The locations provide binding information on how the subject is treated locally. Priorities are set for the individual locations.	1–6
Evidence of consideration of human rights in investment and purchasing decisions (including the selection of suppliers) (HR2)	International survey of processing partners in 2003 in Chapter 3, p. 51	1–6
	IT-assisted standardisation of the survey of suppliers in Chapter 3, p. 50	1–6
Description of policies and procedures to evaluate the observation of human rights by suppliers (HR3)	International survey of processing partners in 2003 in Chapter 3, p. 51	1–6
	Anchoring of social and environmental standards in the international purchasing conditions and checking compliance as part of general evaluation of suppliers	1–6
<b>Non-discrimination</b>		
Global policy/programmes to prevent discrimination (incl. monitoring systems and results) (HR4)	Chapter 4; anti-discrimination is anchored in the long-term human resources policy guidelines (particularly guidelines 2 and 6)	6
	Specific programmes are carried out depending on the location, e.g. Black Economic Empowerment Programme at the location in South Africa. BMW North America has set up a Senior Management Steering Committee for Diversity. The programmes there include suppliers, dealerships, but also marketing measures. Detailed information is available at <a href="http://www.bmwusa.com/About/diversity.htm">http://www.bmwusa.com/About/diversity.htm</a>	6
<b>Freedom of association and collective bargaining</b>		
Guarantee of freedom of association (also independent of local laws) (HR5)	Freedom of association is, for example, guaranteed in the guidelines and long-term human resources policy. The extent to which employees make use of this possibility varies from location to location.	3
<b>Child labour</b>		
Exclusion of child labour (as defined by ILO Convention 138); relevant programmes (incl. monitoring systems and their results) (HR6)	The exclusion of child labour is firmly anchored in the guidelines and long-term human resources policy. The individual locations are responsible for observing these guidelines. Head office enquires about the situation at the respective location.	5
<b>Forced and compulsory labour</b>		
Exclusion of forced and compulsory labour; relevant programmes (incl. monitoring systems and their results) (HR7)	The exclusion of forced and compulsory labour is firmly anchored in the guidelines and long-term human resources policy. The individual locations are responsible for observing these guidelines. Head office enquires about the situation at the respective location.	4
<b>Community</b>		
<b>Community relations</b>		
Description of impacts on the community	Chapter 1, p. 10, 14	
	Chapter 5, p. 73–79	
Description of procedures for dialogue with stakeholders (SO1)	Chapter 1, p. 10, 14	

\* GRI's official designation of indicators

Vision and strategy	Data on the BMW Group in the SVR 2005/2006	Principles GC
<b>Bribery and corruption</b>		
Description of management systems and mechanisms addressing bribery and corruption (incl. observation of the guidelines of the OECD Convention on Combating Bribery) (SO2)	Taking a firm position against bribery and corruption is part of company policy and anchored in the guidelines of the BMW Group, see Chapter 1, p. 12	<b>10</b>
<b>Political contributions</b>		
Description of policy and procedures for political lobbying and contributions (SO3)	Chapter 1 (e.g. World Summit on Sustainable Development in Johannesburg, Dialogue Forum in Munich), p. 14	<b>10</b>
<b>Product responsibility**</b>		

## Environmental Performances

Vision and strategy	Data on the BMW Group in the SVR 2005/2006	Principles GC
<b>Materials</b>		
Total materials used, excl. water (EN1)*	Corresponding data are not available as this indicator is too complex for the automobile industry.	
Use of materials that are processed or unprocessed wastes from external sources. Refers to recycled materials and waste from industrial sources. Data in tons, kilograms or volume (EN2)	General indication in percent of the use of plastic recyclates in Chapter 2. Other data for individual vehicle models in Chapter 2, p. 34	<b>8</b>
<b>Energy</b>		
Direct consumption of energy, broken down by source (EN3)	Chapter 3 or BMW Group key figures	<b>8</b>
Indirect consumption of energy: energy used to produce and deliver energy products (e.g. electricity/heat) (EN4)	Chapter 3 or BMW Group key figures	<b>8</b>
<b>Water</b>		
Total water use (EN5)	Chapter 3 or BMW Group key figures	<b>8</b>
<b>Biodiversity</b>		
Location and size of land used in particularly biodiversity-rich habitats (EN6)	<p>None of the production plants are located in a nature reserve</p> <p>Establishment of small biotopes and neglected grassland along the test tracks in Aschheim and Miramas</p> <p>Consideration of the ecological survey when planting the grounds of the Leipzig plant</p> <p>Chapter 3, p. 48f.</p>	<p><b>8</b></p> <p><b>7</b></p> <p><b>8</b></p>
Description of the major impacts on biodiversity of operation, products and services (EN7)	Chapter 3, p. 48f.	<b>8</b>
<b>Emissions, effluents and waste</b>		
Greenhouse gas emissions (as defined by the Kyoto Protocol) (EN8)	Chapter 3 or BMW Group key figures	<b>8</b>
Emissions of ozone-depleting substances (EN9)	Chapter 3 or BMW Group key figures	<b>8</b>

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Vision and strategy	Data on the BMW Group in the SVR 2005/2006	Principles GC
Emissions to air (e.g. NH <sub>3</sub> , HCl, HF, NO <sub>x</sub> , SO <sub>2</sub> , VOCs, metals, persistent organic chemicals; by type), directly from the company. Based on national laws and regulations, the Stockholm POPs Convention and the Helsinki, Sofia und Geneva Protocols to the Convention on Long-Range Trans-boundary Air Pollution (EN10)	Waste (quantity/type of landfilling, incineration) (EN11)	8
Waste (quantity/type of landfilling, incineration) (EN11)	Chapter 3 or BMW Group key figures	8
Discharges to water (oils/greases, TSS, COD, BOD, metals, persistent organic chemicals (EN12)	<p>Head office collects only those parameters that have to be determined in all plants in accordance with licence permits or are relevant for the in-plant treatment of wastewater. Therefore, in 2004 the following were not determined:</p> <p><b>not determined:</b></p> <p>TSS (wastewater from the paint shop is largely free of solid matter)</p> <p>BOD (no biologically degradable substances in the wastewater of the paint shop)</p> <p>Persistent organic chemicals (AOX is the parameter, organic halogens are no longer used in such a way that they can get into the wastewater.)</p> <p>The following were determined:</p> <p>Zinc (Zn) 120.7 kg</p> <p>Lead (Pb) 20.7 kg</p> <p>Nickel (Ni) 262 kg</p> <p>Chromium (Cr) 36 kg</p> <p>Chromate (Cr<sub>6</sub>) 5.1 kg</p> <p>Copper (Cu) 34 kg</p> <p>Total heavy metals 478 kg</p> <p>Chemical oxygen demand (COD) 1,233,937 kg</p> <p>Mineral oil (hydrocarbons) 3,975 kg</p>	8
Significant spills of chemicals, oils and fuels (EN13)	No significant incidents with water-polluting substances	
<b>Products and services</b>		
Significant environmental impacts of products in every phase of the life cycle (EN14)	Environmental responsibility in research and development in Chapter 2, p. 22, 31	7, 8
	Environmental responsibility in production in Chapter 3, p. 42f.	8
	Fleet fuel consumption and CO <sub>2</sub> reduction in Chapter 2, p. 25f.	7, 8
	Environmentally compatible disposal of waste from service workshops in Chapter 2, p. 22	8
	Extension of maintenance intervals (e.g. oil) in Chapter 2, p. 38	8
	Product recycling in Chapter 2, p. 20f.	8
Take-back of used products. Percentage of the weight of products that can be recycled and percentage that is actually reclaimed (EN15)	Accurate data cannot be collected because not all end-of-life vehicles are taken to the take-back and recycling, network of the BMW Group.	
	Fulfilment of the recycling requirements of the EU End-of-Life Vehicle Directive by BMW Group vehicles in Chapter 2, p. 38	8
	Take-back and recycling system for replacement parts/service waste from the dealership organisation	8



Vision and strategy	Data on the BMW Group in the SVR 2005/2006	Principles GC
<b>Compliance with the law</b>		
Fines for non-compliance with applicable international declarations, conventions, treaties and national, regional and local regulations on environmental issues (EN16)	No fines have been made	<b>1 – 6, 10</b>
<b>Automotive Supplement</b>		
Vision and strategy	Data on the BMW Group in the SVR 2005/2006	Principles GC
<b>Category: Social</b>		
Specify stipulated work hours per week and average hours worked overtime in production (S1)	<p>The work time agreed by contract is based on the relevant collective or plant agreements, e.g. 35 hours/week in Bavaria</p> <p>Average hours worked overtime depend on the production volume, additional volumes of work are usually settled by means of work time accounts</p>	
Percentage of employees not managed on an hourly basis with overtime compensation schemes (S2)	All middle and senior management staff, they have “working time sovereignty”	
Percentage of first-tier supplier facilities with independent organisations or other bona fide employee representatives (S3)	As far as we are informed, the TOP100 suppliers of the BMW Group (corresponding to around 87% of the purchasing volume) have independent organisations of employee representatives	<b>3</b>
	The BMW Group tries to take account of this subject in its supplier decisions as a matter of principle.	<b>3</b>
	Chapter 3	<b>3</b>
<b>Category: Products **</b>		

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# Sustainability Objectives of the BMW Group and Global Compact Principles

## Economic objectives

Objectives	Action	Status	Principles
Principal BMW Group objectives			
To be the most successful premium manufacturer due to: – premium brand strategy – above-average profitability – above-average growth	Development of the BMW, MINI, Rolls-Royce brands	ongoing	
	Strengthening of worldwide presence by developing global networks with new partners and locations (production/CKD/sales/purchasing)	ongoing	
Sustainable corporate management			
Long-term increase in value in terms of sustainable corporate management (leading positions in DJSI, FRSE4Good)	Implementation of sustainability management	ongoing	1 – 10
Consolidate leading position as built-to-order manufacturer	Shortening of internal throughput time from 30 to 10 days	ongoing	
Involvement in global and national sustainability initiatives and Rio+10 process	UNO: Global Compact ECONSENSE: Forum for Sustainable Development UNEP: Mobility Forum	ongoing	1 – 10
High-quality reporting	Implementation of the GRI Guidelines	ongoing	1 – 10
	Develop stakeholder dialogue: employees, customers, suppliers, social groups, policy-makers and associations	ongoing	
Safeguard leading position in the supplier satisfaction index (SSI)	Continued development and implementation of the purchasing guidelines	ongoing	1 – 10
Sustainable value and values management			
Continued development of the BMW Group's sustainability management	Efficient resource management: environment, human resources	ongoing	7 – 9
	Reputation management based on responsibility	ongoing	1 – 10
	Management of risks and opportunities of relevance to sustainability		1 – 10
Social objectives			

## Social objectives

Objectives	Action	Status	Principles
High level of employee satisfaction			
Continue to develop a high level of employee satisfaction	Second group-wide survey of employees, followed up by local improvement processes and relevant recommendations	until 2006	
	Checking and ensuring the lasting quality of the measures	ongoing	
e-HR (Excellence in Human Resources)			
Safeguard the future viability of human resources work by introducing new HR processes, creating new access channels, using modern technologies and providing standard IT solutions	New recruiting processes	achieved	
	Introduction of the employees' portal (B2E applications)	achieved	
	Roll-out of approx. 700 Network terminals in all plants/retail outlets	achieved	
Reduce administrative work and strengthen the advisory components of HR activities. Increase the efficiency of processes	Introduction of a new SAP core system for settlement of accounts, administration, time management, organisation management	achieved	
	Introduction of the online application "HR Cockpit" for management staff	achieved	
	Development of future processes and structures (HR organisation) in all personnel functions of the BMW Group	until 2007	
	Further introduction of online applications, particularly in the fields of HR development and HR counselling	until 2007	

Objectives	Action	Status	Principles
Global harmonisation	Validation project on global harmonisation – check that processes and systems are internationally valid/applicable	until 2006	
<b>Sustainability standards suppliers (in the social field)</b>			
Anchor social standards in processes between purchasing and suppliers/partners	Integration of standards into purchasing conditions, survey of suppliers and selection of suppliers	achieved	1–6, 10
	Anchoring of questions on social standards in supplier requirements – for new suppliers in the selection process – by means of an annual update of suppliers	from 2005	1–6, 10
	Promotion of the guiding principle of sustainable development at suppliers	ongoing	1–6, 10
<b>Company health management</b>			
Overall, far-sighted health management, integrating health protection, health and safety at work, prevention and health promotion	Implementation of measures to promote health connected with the employee and the work environment. Fields of action include movement/ergonomics, psycho-social issues, diet/nutrition, substance abuse prevention. International: e.g. HIV/AIDS programme in South Africa	ongoing	
Strengthen health-promoting corporate culture	Addition of health themes to training and further education programmes	ongoing	
<b>Training</b>			
Increase international orientation of apprentices	Development of locations for assignments in Great Britain	ongoing	
Promote responsibility of apprentices with new work structures	Development of the concept of a junior company (a production and service centre whose employees are exclusively apprentices. this practical vocational training, called “Apprentices manage a company under real working conditions”, provides apprentices with decisive experience and know-how for working life.)	ongoing	
	Development of e-learning concepts	ongoing	
Balanced share of female apprentices in technical professions, including integration into the specialised departments that employ them afterwards	Elaboration of concept for employment upon completion of apprenticeship	ongoing	6
<b>Service</b>			
Constant further training for employees in BMW Group service workshops	Creation of new technical professions requiring special training due to the increasing sophistication of the vehicles (e.g. BMW communications-electronics technician for BMW 7 Series automobiles)	ongoing	
	Intelligent combination of personal training and the use of ultramodern online training methods as well as innovative, userfriendly e-learning and training management systems at local BMW partners worldwide	ongoing	
	Introduction of innovative e-learning methods to quality employees in the dealership organisation (learning independently of time and place)	ongoing	
	New BMW Group Sales and Aftersales Training Academy ensures progressive training and further education of highly-qualified employees worldwide	achieved	
<b>Customer satisfaction</b>			
Increase customer satisfaction and loyalty	Development of intelligent workshop systems and processes to support the dealership organisation as vehicles become increasingly sophisticated	ongoing	
	More detailed and more individual customer service through the transmission of service-related data stored in the ignition key and their selection in the KeyReader	ongoing	
	Service packages for maintenance and repairs for all models	ongoing	

Objectives	Action	Status	Principles
Ensure mobility in case of a breakdown	Harmonisation of the range of mobility services in Europe. Standardisation of period of validity to five years for first and subsequent owners. Upgrading of range of services	until 2006	
	Qualification of the mobile service technicians	ongoing	
Range of new BMW vehicles equipped for the disabled to be available on the German market through the BMW dealership organisation	Introduction of the project "BMW driving aids" on the German market	achieved	
Maintain good relations with neighbours	Immediate processing of complaints	ongoing	
<b>Human resources planning oriented to medium- and long-term goals</b>			
Recognition of medium- and long-term qualitative/quantitative human resources and/or skill requirements in cooperation with the specialised departments	Qualitative and quantitative human resources planning and elaboration of relevant measures; corresponding internal qualification of employees and/or influence on <ul style="list-style-type: none"> <li>– external training institutes</li> <li>– timely human resources recruitment</li> <li>– employee commitment</li> </ul>	ongoing	
<b>Improvement of internal recruiting activities of BMW AG</b>			
At least three suitable candidates per vacant job for bottleneck qualifications	Introduction of an e-recruiting platform. Candidates are permanently available via a pool of applicants	achieved	
Selection process complete within 15 to 22 working days with total transparency across all plants	Selection of candidates across all plants via the e-recruiting platform. The e-recruiting tool monitors and influences the length of time required for the selection process	achieved	
Safeguard the supply of young professionals with bottleneck qualifications	In promotion programmes, school-leavers (qualified to study at university) and students of technical subjects are trained in the Company and by partners	achieved	
Excellent image as employer	Human resources marketing geared to core target groups. The BMW Group is involved, for example, in science and research in a comprehensive way, particularly in the field of technical studies (e.g. the BMW Group Scientific Award, one of the highest-paid research prizes, is given to up-and-coming scientists for outstanding diploma, bachelor's, master's or doctor's theses)	ongoing	
<b>Efficient implementation of programme management (multi-project control) for the BMW Group human resources departments</b>			
Employee satisfaction due to company-wide transparency in interdepartmental projects, optimum resource and interface control, clear decision-making processes and uniform project standards	Ongoing evaluation and, if necessary, improvement process for programme management	ongoing	10
<b>Create a balanced work situation and high quality of life, while taking account of future company requirements and changing interests of employees</b>			
Intensified implementation of key elements of the long-term human resources policy worldwide	Creation of conditions for age-specific and individual perception of employees' professional and private commitments and interests as part of long-term HR policy. Maintenance of conditions that support employee performance on a long-term basis. Regular monitoring of the tools in keeping with constant changes in internal and external conditions	ongoing	
	Further development of the systems based on the HR policy worldwide	ongoing	
Use demographic change as an opportunity for the Company (Project "Today for tomorrow")	The project "Today for tomorrow" focuses on the following fields of action: <ul style="list-style-type: none"> <li>– Future-oriented design of the work environment</li> <li>– Promotion and maintenance of the employees' efficiency and ability at work</li> <li>– Strengthening of employees' awareness as regards their own responsibility and individual provisions for the future</li> <li>– Individual working life times for employees</li> </ul>	ongoing	6

Objectives	Action	Status	Principles
<b>Social commitment</b>			
Assume social responsibility	Implementation of social projects, particularly in the field of health protection and education	ongoing	1–2
Extension of HIV/AIDS activities to further locations	Transfer of activities from South Africa to, e.g. China, Russia and Thailand	from 2005	1–2

## Environmental objectives

Objectives	Action	Status	Principles
<b>Emissions</b>			
Participate in demonstration projects to show that hydrogen can be used safely in road traffic and that it can be generated from renewable energy sources	Participation in CleanEnergy Partnership (CEP)	2004 to 2007	7–9
	Participation in international initiatives and research projects	ongoing	
Meet the BMW Group's share of the commitment to reduce average CO <sub>2</sub> emissions in the ACEA fleet to 140 g per km by 2008, a reduction of 25 % compared with 1995	VALVETRONIC for all BMW 6-, 8- and 12-cylinder petrol engines	achieved	7–9
	Increased use of lightweight components	ongoing	7–9
	Additions to the range of models in the compact category (BMW 1 Series, MINI)	ongoing	7–9
Establish and implement potentials for reducing CO <sub>2</sub> emissions in the long-term	Partnership for the worldwide introduction of hydrogen as fuel: technology and infrastructure	ongoing	7–9
	Participation in the Transport Energy Strategy (TES) to develop a strategy for the full-scale market introduction of hydrogen as the most promising fuel in the long term	ongoing	7–9
	Involvement in the development of uniform technical standards in Europe for introducing hydrogen as alternative fuel as part of the European Integrated Hydrogen Project (EIHP)	ongoing	7–9
	Development of innovative drive systems based on the BMW EfficientDynamics concept with the aim of achieving overall intelligent energy management. Consumption-optimised combustion engine technology with High Precision Injection, the BMW active hybrid drive concept with active gear and super caps as energy stores are combined. The goal: to reduce fuel consumption and impacts on the environment at the same time as fulfilling BMW requirements in terms of dynamics and efficiency	ongoing	7–9
	Promotion as assistance systems for efficient traffic management, linking of traffic, information and communications technologies	ongoing	7–9
<b>Recycling</b>			
Development of new recycling techniques	Development of an ignition tool for products of different manufacturers for the efficient neutralisation of pyrotechnic components for use at recycling partners	achieved	7–9
	Testing of new, automatic sorting techniques for plastics, metals and shredder residues	achieved	7–9
	Promotion of sustainable treatment techniques for shredder residues	ongoing	7–9
	Development of suitable recycling concepts for new components and materials, e.g. treatment of hydrogen-powered vehicles, recycling of the hydrogen tank	until 2006	7–9
Take-back of used products	Purposeful pursuit of the BMW Group recycling strategy in EU member states and accession candidates – To optimise the take-back and recycling infrastructure and develop corresponding systems in the EU accession countries – Development of national homepages with customers and product information	ongoing	8, 9

Objectives	Action	Status	Principles
Reduce environmental impacts of products in each stage of their life cycle	Integration of recycling requirements into new products data management systems in the BMW Group specifications for vehicle recycling	achieved	7–9
	Implementation of the technical requirements of end-of-life legislation	achieved	7–9
	Overall appraisal of environmental impacts of servicing, maintenance and repairs during the use phase	achieved	7–9
	Comparative life cycle assessment of alternative concepts for innovative electrical and electronical components, taking account of the entire life cycle	achieved	7–9
	Promotion of the use of recyclates and renewable raw materials	ongoing	7–9
	Establishment and continued development to take-back systems for old parts discarded during maintenance and repairs at service workshops in Western Europe, and optimisation of recycling	ongoing	7–9
	Development of a practical tool for the qualitative and quantitative evaluation of material flows	achieved	7–9
	Comparative life cycle assessment of alternative drive shafts – demonstration of optimisation potentials for hybrid vehicle concepts	end of 2005	7–9
	Determination of optimum product lifetime of vehicles, taking account of technological, economic, ecological and legislative aspects	until 2007	7–9
<b>Service</b>			
Reduce environmental impacts of products in each phase of their life cycle	Development of lifetime oil for 6-speed transmission improves performance, reduces consumption and conserves resources	ongoing	8
<b>Sustainability standards for suppliers (ecological standards)</b>			
Anchor ecological standards in processes between purchasing and suppliers/partners	Integration of the standards into purchasing conditions, into the survey of suppliers and into the selection of suppliers	achieved	7–9
	Anchoring of questions on ecological standards in supplier requirements – for new suppliers in the selection process – by means of an annual update of suppliers	from 2005	7–9
	Promotion of the guiding principle of sustainable development at suppliers	ongoing	7–9
<b>Environmental management</b>			
Continued development and integration of management systems	Introduction of environmental management systems in central BMW Group departments	achieved	8, 9
	Extension of the environmental management system to the CKD production plants; first certifications	until end of 2005	8, 9
	Development of key environmental figures to produce the sustainable value	from 2005	8, 9
Constant improvement of environmental performance in production	Regular comparison of water/energy consumption and of volume of wastewater and waste generated	ongoing	8, 9
<b>Resources</b>			
Conservation of non-renewable energy sources in the production process	Use of water close to the surface to cool computing centres	achieved	8, 9
	Feeding of the braking energy from the BMW Group test stands into the electricity network	achieved	8, 9
	“Landfill Gas Project” at the US plant in Spartanburg. Use of landfill gas instead of natural gas in the combined heat and power plant	achieved	8, 9
	Programmes to increase energy efficiently in existing buildings and in production processes	ongoing	8, 9

Objectives	Action	Status	Principles
<b>Paint shops</b>			
Reduction of resource consumption and environmental impacts	Filler no longer used in the paint shop in MINI production	until 2006	<b>8, 9</b>
<b>Logistics</b>			
Increase the share of means of transport with fewer emissions	Increase in the share of vehicles transported from the plants by rail	ongoing	<b>8, 9</b>
	Minimisation of share of air freight in favour of sea freight for supplying overseas plants from Europe	ongoing	<b>8, 9</b>
Reduce the transport volume	Optimisation of packaging and filling of containers	ongoing	<b>8, 9</b>
	Improved use of means of transport and traffic networks	ongoing	<b>8, 9</b>
Reduce environmental impacts of materials used to protect vehicle surfaces during transport to the customers	Switch to vehicle distribution without surface protection	until 2007	<b>8, 9</b>