SUSTAINABILITY ACROSS THE ENTIRE VALUE CHAIN

IAA SNEAK PREVIEW

OLIVER ZIPSE
CHAIRMAN OF THE BOARD OF MANAGEMENT, BMW AG
CO₂ TARGETS SET IN 2020.

In 2020, we presented precise sustainability targets for the BMW Group. Thanks to the development of electromobility, we can now tighten our targets and contribute significantly more to climate protection.
The BMW Group is committed to achieving the 1.5°C target.

Since today the BMW Group is the first German carmaker to join the "Business Ambition for 1.5°C". This includes our commitment to achieving climate-neutrality along the value chain by 2050. It also automatically makes us a member of the UN's Race to Zero programme.
SALES FORECAST FOR FULLY ELECTRIC VEHICLES.

> 300,000
BEVs by 2021

10 million
BEVs over the next ten years

Min. 50%
of all BMW Group vehicles will be fully electric by 2030

The launch of our Neue Klasse is expected to boost BEV sales significantly.
-50 % CO₂ FROM PRODUCT UTILISATION BY 2030 -
-40 % CO₂ ACROSS THE VEHICLE LIFECYCLE.

BEV ramp-up affects the carbon footprint of product utilisation.
By 2030, we will cut CO₂ emissions from product utilisation by at least 50%.
Use Phase is the biggest contributor to the BMW Group’s global CO₂ footprint, accounting for more than 70%.
So, CO₂ emissions per car across the lifecycle will fall by at least 40% by 2030.
EU CO₂ TARGETS AND BMW GROUP CO₂ TARGETS WORLDWIDE COMPARED.

BMW Group's target
-50%
CO₂ per car
2030 vs. 2019
from product utilisation

Fit for 55
-55%
CO₂ per car
2030 vs. 2021
from product utilisation

The BMW Group will cut CO₂ emissions per car by 50% by 2030. But Fit for 55 is demanding -55% CO₂ by 2030. How do the two fit together?
EU CO₂ TARGETS AND BMW GROUP CO₂ TARGETS WORLDWIDE COMPARED.

EU Green Deal
(EU aims to be climate neutral by 2050)

<table>
<thead>
<tr>
<th>Reference period</th>
<th>Applicability</th>
<th>Target</th>
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<tr>
<td>EU Green Deal / Fit for 55</td>
<td>EU, all sectors</td>
<td>- 55% CO₂</td>
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<tr>
<td>Fit for 55 proposal for passenger cars</td>
<td>EU, transport sector only, Use Phase</td>
<td>- 55% CO₂ (tank-to-wheel)</td>
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<tr>
<td>BMW Group targets</td>
<td>Use Phase worldwide, defined by SBTi (WLTP + 10%)</td>
<td>- 50% CO₂ (well-to-wheel)</td>
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ACEA voluntary commitment 2008 ✓
EU fleet emissions 2020 ✓ Over-fulfilled
EU fleet emissions 2021 ✓ On track
Fit for 55
SUSTAINABILITY WILL ADOPT A BROADER FOCUS.

Currently, the focus in politics and society is on CO₂ emissions. But in the future, there will be a more holistic approach to sustainability. By anticipating issues, we can set the course for the future today.
EFFICIENT USE OF PRIMARY RAW MATERIALS.

The extraction of raw materials almost always impacts habitats. Many raw materials for electromobility especially are finite, so prices are rising. Processing primary raw materials is often highly energy- and CO₂-intensive. Reducing the share of primary raw materials we use will make us environmentally more sustainable and commercially more viable.
OUR APPROACH: SECONDARY FIRST – AN IMPORTANT STEP TOWARDS A CIRCULAR ECONOMY.

The use of secondary materials releases far less CO₂. Using secondary rather than primary aluminium increases savings by a factor of 4-6... ...and with steel by a factor of 2-5.
GRADUALLY INCREASING THE SHARE OF SECONDARY MATERIALS TO 50%.

The quality, security and reliability of materials must be guaranteed. Availability of materials in the market must increase significantly. Cross-industry approaches and political initiatives are needed. The BMW Group is driving this development.
The circular economy is the ideal, most sustainable form of economy. We are working to accelerate the advance towards a circular economy.
COLLABORATIVE PROJECTS ON THE CIRCULAR USE OF MATERIALS.

Working with partners to be a catalyst for the circular economy.

Pilot project with

BASF
We create chemistry

ALBA Group
the recycling company
WE ARE CREATING A GREEN MATERIAL CYCLE FOR BATTERY CELLS.

Technical proof of concept for battery recycling. Cells are >90% recyclable.

Use of secondary material in today’s battery production. 30% recycled aluminum and up to 50% recycled nickel.

Sustainable cell production agreed with suppliers. All cell suppliers run on 100% renewable energy.

Medium-term targets for industrialized recycling. >70% for battery packs and >90% for Co, Ni and Al in 2030.
WE ARE DOING OUR PART.

1.5°C
10 million BEVs in the next 10 years

Use Phase
-50% CO₂ per car 2030 vs. 2019

Lifecycle
-40% CO₂ per car 2030 vs. 2019

Share of secondary materials
+50% on average per car